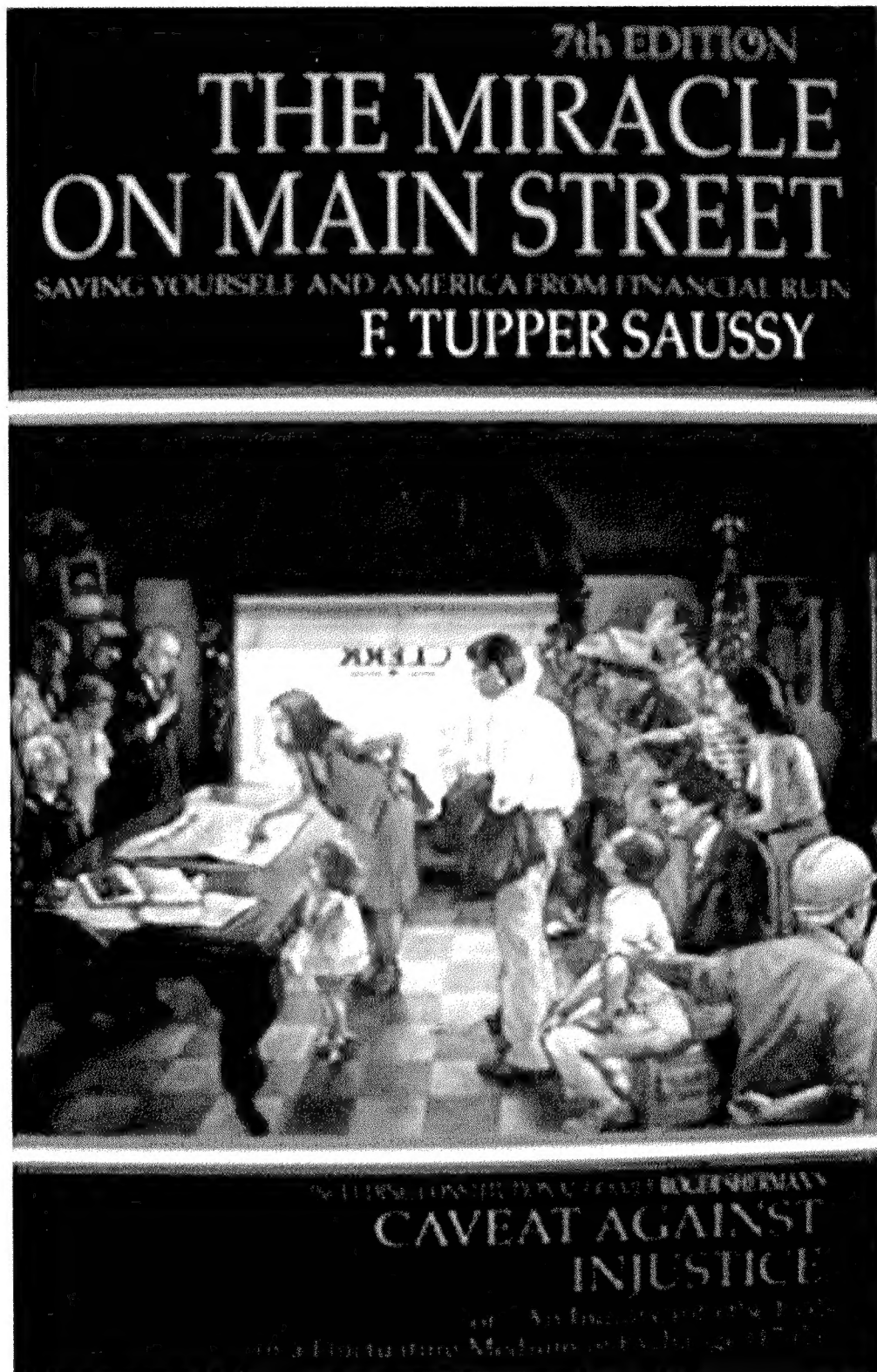


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7th Edition The Miracle On Main Street
By F. Tupper Saussy

**Saving Yourself and America From Financial Ruin
Including Constitutional Framers Roger Sherman**

Caveat Against Injustice

-Or-

**An Inquiry Into The Evils of a Fluctuating
Medium of Exchange (1752)**

Also By F. Tupper Saussy:

**TENNESSEE WALTZ: THE MAKING OF AN
AMERICAN POLITICAL PRISONER
(The Autobiography of James Earl Ray)**

RULERS OF EVIL:

Useful Knowledge About Governing Bodies

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Table of Contents

FOREWORD	7
PREFACE TO THE 7TH EDITION 9 INTRODUCTION:	
A 25-YEAR PERSPECTIVE	13
EXODUS	19
THE GATHERING TRAGEDY	27
THE ONLY CAUSE OF INFLATION	33
THE RIGHT TO ALTER & ABOLISH	41
"A FAVOURABLE CRISIS FOR CRUSHING PAPER MONEY"	47
"A SUDDEN SENSE OF PROSPERITY AND TRANQUILLITY"	57
WEAVERS OF "THE AMERICAN DREAM"	65
BROTHER MAX	71
IS DREAM MONEY LAWFUL MONEY?	77
STARTING THE MIRACLE	87
THE PROPER COURSE FOR GOVERNMENT	95
UNDER INVESTIGATION	101
PUTTING THE CONSTITUTION INTO YOUR EVERYDAY	
CONVERSATION	107
A LESSON THEY'LL NEVER FORGET	117
THE MIRACLE ON MAIN STREET	123
UNDERSTANDING GOVERNMENT FOR WHAT IT REALLY IS	135
EPILOGUE:	143
APPENDIX I: A CAVEAT AGAINST INJUSTICE	153
APPENDIX II: THE PAPER DOLLAR CAPER	194
APPENDIX III: THE POMC	200
APPENDIX IV: OPINION LETTER	207

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Forward

Distinguished economics experts, Nobel prize winners, and White House advisors notwithstanding, THE MIRACLE ON MAIN STREET contains *the only lawful and workable solution there can ever be to our worsening financial woes, public and private.* Amazingly, this solution is already with us, built into the mechanics of our government. But the design is such that the solution must be activated from outside government, activated by you and me - the people.

Tupper Saussy goes right to the Supreme Law of the Land to reveal that solution to us. Then, he shows step by step how the solution will be achieved. As each individual uses the United States Constitution to preserve the value of his own fortune, our decaying federal economic, political, and social conditions will begin healing themselves literally over-night.

This truly is the stuff of which miracles are made.

**- James A. Woods, P.E.,
Engineering Consultant,
Director, Franklin County (TN) ,
Taxpayers Association**

Preface to The 7th Edition

Tupper Saussy has many gifts, but two in particular sparkled with especial brilliance in the first edition of *The Miracle on Main Street (MOMS)*. He made monetary reform appear both *possible and fashionable*.

Like all great artists, Tupper has the ability to make the unseen seen. To the first edition of *MOMS* he brought the rare talent of enabling us to see monetary reform happening. All the barriers~ the banks' power, being outnumbered, fear of being laughed at, fear of going into court, fear of speaking in public, fear of the government ~ all the barriers simply evaporated in the invincible strength of Tupper's vision, captured on *MOMS'* cover. It was the vision that we, in our own persons and not by someone else, could march into courthouse or legislature, present our case, and right and law would triumph.

Tupper also made the money issue fashionable --no, more than merely cool, he made it right. He made fighting the fiat money monopoly the thing to do. Perhaps it is just Tupper's native artistic flair, but he made us all want to fight for honest money, and made us feel cool doing it.

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1 But Tupper's strategy was also correct: not to start a colossal centralized, top-
2 down movement for monetary reform, not to write new laws and new
3 constitutional amendments, *but simply to enforce the laws and constitution*
4 *that already exist*. And to do this not by convincing the mighty (an impossible
5 job anyway since their power rests on monetary corruption), *but by setting*
6 *loose hundreds, then thousands, of well-informed citizens into the courts and*
7 *government halls to demand their rights*. Not an atomic bomb, but an enraged
8 hill of stubborn fire-ants.
9

10 Of course, Tupper got matters exactly right. He identified the jugular vein of
11 the business-government partnership that runs America the same way a
12 dairyman runs a dairy farm, to squeeze out the maximum milk. That jugular
13 vein is the *money issue*. *The greatest power that corporations and business*
14 *have in this country is the power to create money out of thin air. Upon it rest*
15 *all the other powers by which they exploit us and leave us serfs and strangers*
16 *where our fathers were free*.
17

18 Mention that a government "of the people" has given a private corporation (the
19 "Federal" Reserve) the power to create money out of thin air, and people roll
20 their eyes as if to call heaven to witness your craziness officially. That the
21 same government has robbed the people of their ancient *common law*,
22 constitutional, and statutory right to silver and gold money is so outrageous
23 that most people laugh when you try to explain it. *They accuse you of*
24 *spinning conspiracy theories*.
25

26 But give them a copy of *MOMS*, and Tupper opens their eyes. What's more,
27 they can never close them again.
28

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1
2 *Whenever anyone in America resists government tyranny, government*
3 *employs one of two tactics:* strike the shepherd and the sheep will scatter, and
4 cut the offender out of the protecting herd. If Tupper was not the "shepherd"
5 of the monetary reform movement, he certainly was one of the chief leaders.
6 *MOMS* set loose hundreds of "constitutional troublemakers" in courts across
7 the country, demanding their rights. Because these "miracle workers"
8 threatened to overthrow the entire corrupt system, the government therefore
9 had to attack Tupper with its most useful tool, criminal tax charges. This
10 would strike terror in all of the sheep, and cut Tupper off from their support
11 and protection.
12

13
14 *Whoops.* Unfortunately for the federal government, they underestimated both
15 Tupper and the "sheep." The movement for constitutional money took a blow
16 with Tupper's conviction, but not a mortal wound. Many, many of us went to
17 jail, but we kept on fighting. As Emma Sansom said of the South, "***We were***
18 ***overcome, but never conquered.***" The spirit of resistance remained alive, and
19 remains alive today, and will never rest until our monetary rights are restored.
20

21
22 Now, Tupper is back, bringing another ***Miracle on Main Street*** with him.
23 Beware, gentle reader, be warned before you read it: your eyes are about to be
24 opened.

25 ~ Franklin Sanders
26 *The Moneychanger*
27 www.the-moneychanger.com
28

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Introduction:
A 25 – Year Perspective.

Moments before I was to address an audience in Atlanta during the autumn of 2000, a gentleman shook my hand cheerfully and said "Mr. Saussy, I read *Miracle On Main Street* twenty years ago." He paused a moment, then said, "and I want to thank you for ruining my life."

Several people within earshot broke into laughter. Each said in his turn, "Me, too!"

Yes, MOMS did ruin a lot of lives, including my own. But in a necessary way, in the way maturity ruins adolescence, or the Spirit of Christ ruins a life of evildoing.

MOMS ruined values and beliefs that had to die if one was to grow in integrity.

A Colorado paralegal once told me that he thought MOMS was "naive." I complimented him on getting the point. *Doesn't the law presume us all to be naive? Doesn't the law expect us to believe it means what it says? Can't we safely trust that no harm will come to us if we obey the law? Can't we safely expect that those sworn to uphold the law will, in fact, uphold the law?*

Thousands of readers picked up on MOMS' naivety and, taking their cue from Barry Buxkamper's cover painting, went out to the public offices determined to

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1 hold officials accountable under the clearly- stated monetary provisions of the
2 Constitution.

3
4 ***The Constitution places responsibility for a sound economy on each State***
5 ***government.*** As MOMS reveals, the framers of the Constitution unanimously
6 said "No!" to the possibility that American citizens might ever be compelled to
7 surrender their gold and silver coin for a paper currency. The "No!" of the
8 framers resounds through more than two centuries of Congressional legislation
9 and Supreme Court decisions.
10

11
12 The framers said "No!" but the people said "Yes." In the mid-1960s, the people
13 chose to permit Congress to shirk its duty to coin nothing but gold and silver.
14 And a decade later, the people's use of a national currency having no intrinsic
15 value whatsoever permitted the States to evade their self-imposed task of
16 preserving the inviolability of property rights in America. Popular assent to a
17 kind of money the Constitution was written to prohibit forever ~ ***what a***
18 ***triumph of ignorance!***
19

20
21 ***The result has been catastrophic.*** You can attribute everything from the
22 Vietnamese debacle to ***USA Patriot Act II ~ forty years of escalating fascism***
23 ~ to the popular ignorance of State and federal governments' duty to provide a
24 national currency that cannot be expanded or contracted by committee (formed
25 by Congressional agencies) or edict (created by Executive Orders under War
26 Powers and Emergencies).
27
28

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Had the people been alert and vocal, the Constitution's monetary system would have eliminated any need whatsoever for the southeast Asian war, the central American wars, the middle eastern wars, the war on drugs and terrorism and meaningful dissent ~ and their horrifying toll.

As long as our most outspoken political leaders and reformers continue to ignore the Constitution's strict economic requirements on Congress and the States, things will only get worse. Advocates of a better America push for relieving symptoms, when the true remedy is stopping cause. And the cause remains what it was back in the 1980's heyday of MOMS: too few people are demanding that Congress and the State governments obey the intent and the letter of the *Constitution's monetary provisions*. The absence of rebuke is taken to mean consent to the disobedience.

Jim Woods, who wrote the Foreword to MOMS, was a brilliant inventor for whom intellectual and personal freedom were tools of his trade. To Jim, *Article I Sections 8 and 10 of the Constitution* were the linchpin that held the whole American apparatus together. *Keep the linchpin in place and the apparatus can run forever. Remove it and everything falls apart.* What MOMS pointed out, as had few other books before it, was that *the linchpin had been removed by popular demand*. The people had permitted its removal. And now that the people are suffering the inevitable symptoms of its absence, perhaps they can put it back.

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"The destruction of a mighty nation may well be approaching because of the activities of one person. He has encouraged leaders to tranquillize the populace with half- truths. He has lured the press into inattention and has assisted the people in duping themselves. He has persuaded his fellow citizens to concentrate on life's comic strips and mindless entertainments and to avoid the bruises of reality.

"The culprit is the person whose eyes scan these words, and whose hands -- at this moment -- hold this book."

**-William J. Lederer,
A Nation of Sheep, 1961**

"Dreams are for those who sleep."

- David Gates, Bread

Prologue:

Exodus

From The Ideasphere

We put a lot of faith in ideas. So much faith that we're moved by them. Our motor nerves are tuned to the ideasphere. We think life consists of choosing the best idea from the selection offered and then living by it.

We forget that the ideasphere exists only in the mind. (which is the linear brain). The mind is just a part of the whole individual, meaning that living by ideas deprives the rest of one's self of many pleasures it was born capable of feeling. Recently, a news story appeared in the world press about 14 Chinese children who could read with their skin. They could tell color blindfolded, by touching. *Doctors were amazed and puzzled. And then there's all the documentation of ESP, clairvoyance, astral projection, telekinesis, and so on.* The scientists who have sunk their lives into studying them maintain these phenomena are not weird but quite natural. Ordinary. They are merely abilities we all are born with in order to sense this world fully and live comfortably in it as participating organisms.

But beginning in our earliest years and continuing through our lifetime, these wonderful abilities are chased off into disuse by swarms of ideas. Ideas that we are somehow "bad, " or "good, " or "Mouseketeers, " or "Peppers, "

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or "cereal lovers," or "kids," or "mentally ill," or "Democrats," or "Republicans," or "Senior Citizens."

Where do these ideas come from? *From those who profit by people's not using their natural abilities, where else?* From those who stake claims of authority over helpless people. *From those who are in the business of guiding and governing others.*

It's easy to see that if you can hook someone on an idea, on a dream, you can fleece his pockets. *Reality overrules an idea every time. To keep control over people, you must keep the ideasphere charged with images, hopes, suggestions, debates and alternatives the same way radio fills the atmosphere with music and pulse.* While the victim's lost in his dream, you can march stealthily into his fortunes and take what you want. With ideas, you can make him happy or afraid, make him dance or prefer one product to another. You can make him kill or build bomb shelters.

But for all ideas can make us do, they are only *ideas*. Dreams.

I spent two terrified years in grammar school fearing graduation to junior high school because of the hazing I would undergo. The ideasphere resounded with tales of 7th graders getting their heads shaved and faces painted with red lipstick stripes, being forced to push B-B's down the highway with their noses, having to eat rotten eggs, having to walk home naked from some lonely spot in the woods. *I suffered countless nightmares in apprehension of the coming of*

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1 *My Day.* But when my day came, nobody did anything to me. I went through
2 hazing without so much as a lovetap from an upperclassman. After hazing
3 week was over, I almost felt ... unwanted.

4
5 *What had happened?* I know now that I had withdrawn from the ideasphere at
6 hazing time. When a hazer would come near me, there would be no
7 transmission of look or feeling between us. No connection. Because hazing
8 was an idea, he could only pick up from subscribers to the idea. Believers. He
9 could attack only those whose eyes said "*Please don't haze me.*" Eyes that
10 asked "*What's hazing?*" were ignored. They were not part of the ideasphere.
11

12
13 They were of another frequency completely. Another world.

14
15 *This was one of my earliest lessons in the utter fraudulence of ideas and has*
16 *often been the manner in which I have approached problems.* This little book
17 is not about ideas, except to encourage you to shun them. I hope it will wean
18 you away from the ideasphere. *This book is about a genuine, real thing you*
19 *can touch.* The difference between an idea and a thing you can touch was
20 illustrated tragically to me years ago when a friend of mine, on LSD, thought
21 he was pulling the trigger of a water pistol aimed at his temple but it was a
22 loaded Colt 45. *Ideas have their validity, but they're no match for reality.*
23 *Reality overrules every time.* (That's why these days I find it so hard to
24 appreciate fiction. So much of what passes for reality is fiction enough!)
25
26
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The reality of this book is: If you don't like what's happening in your life, you can fix it (we can change it). You can fix it without cheating anyone, without counseling with experts, without subscribing to any newsletter that keeps you posted on inside info, without writing Washington or getting involved in politics, without organizing, and without spending a penny unless you choose to.

And a miracle will happen: as you fix (as we change) what's wrong in your own life, you'll automatically be fixing what's wrong with America's well-being. *Instantly, you'll begin claiming your little-known and completely legal economic rights good for hundreds even thousands of extra dollars in your family treasury, and not applying to government for it either!* Couldn't you use some extra cash in these raw times? The law provides benefits for you, regardless of your age, condition, financial status, sex, or whatever. Benefits to help you survive the ups and downs and starts and jolts of this fluctuating economy. *But if you continue swirling about in the weightlessness of ideas you'll never know how to claim these benefits.* No, to experience **THIS** miracle, you must be down to earth.

I've shown this manuscript to people who can be counted on for merciless feedback. Any one of them could have halted publication simply by responding with faint praise. But the unanimous verdict seems to be "*At last, a book that describes the problem and then gives a DIRECT, QUICK NATURAL SOLUTION.*" I believe in direct, quick, natural solutions. I believe that when you have a mosquito bite, you should scratch it, not take

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1 Milk of Magnesia. Trying to solve one's own personal financial dilemma by
2 appealing to the ideasphere ~ government, federations, organizations, advisors,
3 financial planners, experts~ is ***submitting to surgery*** for that mosquito bite. A
4 sad, tragic waste of time, resources, and happiness.

5
6 ***I hope judges and mayors and court clerks and all levels of government***
7 ***employees will read this little book, because it was written as much for them***
8 ***as for people out of government.*** I hope bankers and reporters and small
9 businessmen and schoolteachers will read it. And attorneys, who call
10 themselves our guardians of the law. And housewives. Especially housewives
11 and mothers. I hope church folks will read it, too, because after all God is the
12 foundation of all miracles, including the restoration of a happy America. I
13 ***cannot*** describe how vividly God progressed in me from an idea to a touchable
14 reality as this book developed. Perhaps you will sense it as you read on.
15
16

17 Dream worlds are hard to leave. Even ***painful*** dream worlds are hard to leave.
18 They're especially hard to leave when the dream makers tell us that leaving the
19 dream world will be catastrophic. Many people actually prefer the ideasphere
20 to reality, ***not*** caring that they are denying their whole selves pleasures of
21 incredible intensity, pleasures and abilities truly "***undreamed of***." These
22 people, and they are among our most respected citizens, are fully trained to
23 believe in the life broadcast in the ideasphere, ~ and they believe it can't get
24 much better than it is. They'll never come around to reality until they must.
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This little book can only switch on the lights for people who are already tossing and turning under a terrifying yet fascinating nightmare. Suddenly, you bolt awake and there are your walls, the pictures, the lamps, the quilt, the soft breathing of your family. What had been twisting your body and mind was nothing but ideas, and they scamper away as soon as you open your eyes to the glowing warmth of the real world.

We don't need to restore the American Dream; we need to wake up from it.

"Thou shalt not have in thy bag divers weights, a great and a small. Thou shalt not have in thine house divers measures, a great and a small. But thou shalt have a perfect and just weight, a perfect and just measure shalt thou have: that thy days may be lengthened in the land which the Lord thy God giveth thee."

-Deuteronomy 25:13-15

"The world has always been betrayed not by scoundrels but by decent men with bad ideas."

-Sydney J. Harris

"By a continuing process of inflation, governments can confiscate, secretly and unobserved, an important part of the wealth of their citizens. There is no subtler, no surer means of overturning the existing basis of society than to debauch the currency. The process engages all the hidden forces of economic law on the side of destruction, and does it in a manner which not one man in a million is able to diagnose."

**-John Maynard Keynes,
*The Economic Consequences of The Peace, 1920***

Chapter 1
The Gathering Tragedy

Blood running in the streets. Mobs of rioters and demonstrators threatening banks and legislatures. Looting of shop and liotne. Credit ruined. Strikes and unemployment. Trade and distribution paralyzed. Shortages of food. Bankruptcies everywhere. Court dockets overloaded. Kidnappings for heavy ransom. Sexual perversion, drunkenness, lawlessness rampant.

One distinguished politician writes to another:

The wheels of government are clogged, and we are descending into the vale of confusion and darkness. No day was ever more clouded than the present. We are fast verging to anarchy and confusion.

Where, when and whom? Get ready for a shock: *America*, 1786, ten years after the signing of the Declaration of Independence. The correspondence was from George Washington to James Madison. On February 3, 1787, Washington wrote to Henry Knox: "If any person had told me that there would have been such formidable rebellion as exists, I would have thought him fit for a madhouse." ¹

¹ This and all Washington quotations: Harry Atwood: *The Constitution Explained*, Destiny Publishers, Merrimac, Massachusetts, 1927, 1962

What went wrong? What forced this noble new country into conditions far worse than the tyranny against which it had declared its independence in the first place? The history books tell us it was a complicated variety of interrelated things, but reality tells us it was only one: the money issued by the Continental

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1 Congress and the states' banking houses was paper that could not be redeemed
2 for gold or silver coin. *Inflation*, that was what had sunk George Washington to
3 the depths of despair.

4
5 The paper currency of the Congress was printed in such exorbitant amounts (in
6 relation to the precious metals they represented) that wages and prices
7 skyrocketed, forcing the Legislature to enact harsh wage and price controls.
8 When these failed, moral-sounding laws reeking of piety and patriotism were
9 enacted in an attempt to chain the people under penalty of violence to the
10 government's absurd money:

11
12 If any person shall hereafter be so lost to all virtue and regard for his
13 Country as to refuse to accept its notes, such person shall be deemed
14 an enemy of his Country as to refuse to accept its notes, such person
15 shall be deemed an enemy of his Country.²

16 ² Davis R. Dewey: *Financial History of the United States*, John
17 Wilson & Son, Cambridge, Mass. 12th Edition, 1934, pp 36 ct seq.,

18 This amounts to a law *protecting bad-check artists*, and so the people naturally
19 ignored it and others like it. The depreciation of paper currency relative to coin
20 followed the same sickening course our paper currency follows today. (At this
21 writing, the 1980 paper dollar is redeemable for a silver dollar at about 15 or 16
22 to 1.)

23
24 In January 1781, these notes were redeemable 100 to 1; in May 1781, they
25 ceased passing as currency and quietly died in the hands of their owners.
26 Repeatedly, new series were issued, only to follow a similar pattern.³

27 ³ *Ibid.*
28

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1 A contemporary of the Revolution, Peletiah Webster, records it this way:

2
3 It ceased to pass as currency (in May, 1781), but was afterwards
4 bought and sold as an article of speculation, at very uncertain and
5 desultory prices, from 500 to one thousand to one.⁴

6 ⁴ *Ibid.*

7 Yet another contemporary writer, Breck, gives us this ridiculous aspect of
8 inflation's ultimate achievement in the 1780's:

9
10 The annihilation was so complete that barber-shops were papered in
11 jest with the bills; and the sailors, on returning from their cruises,
12 being paid off in bundles of this worthless money, had suits of
13 clothes made of it, and with characteristic lightheartedness turned
14 their loss into a frolic by parading through the streets in decayed
finery which in its better days had passed for thousands of dollars.⁵

15 ⁵ *Ibid.*

16 Peletiah Webster writes:

17
18 Paper money polluted the equity of our laws, turned them intengines
19 of oppression, corrupted the justice of our public administration,
20 destroyed the fortunes of thousands who had confidence in it,
21 enervated the trade, husbandry, and manufactures of our country,
and went far to destroy the morality of our people.⁶

22 ⁶ *Ibid.*

23 *Describing inflation to someone who has never experienced it is like*
24 *describing the pain of fire to someone who has never been burned. You really*
25 *have to live it to know how terrible it is.* More than one Biblical scholar who
26 has felt inflation concludes that the Beast in Revelation is nothing less than
27
28

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1 inflation itself. The worst thing about inflation is that there are so many
2 *apparent* causes of it. The long-winded debate over *cause* only gives inflation
3 time to spread and destroy more. *The debate over cause is usually conducted*
4 *by the many people who benefit from inflation, those who are first in line*
5 *from the printing press, able to buy goods at current prices with money that*
6 *soon raises the price of everything as it goes into circulation, increasing the*
7 *volume of the money supply.* It doesn't take much digging to know who the
8 *first-in-liners are*: they're the beneficiaries of government programs and, of
9 course, the beneficiaries of our bank system. Which is a whole lot of people,
10 very few of whom are going to want to put their heart and soul into an effort to
11 stop inflation. *Why should they, when inflation is the secret of their success?*
12 They're not villains or conspirators. They're "*Friends of Paper Money.*" There
13 have always been "*Friends of Paper Money,*" and they really cannot be blamed
14 for doing anything wrong or evil.

15
16
17 *"It is historically true that no order of society ever perishes save by*
18 *its own hand."*

19 *-John Maynard Keynes,*
20 *The Economic Consequences of The Peace, 1920*

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Chapter 2
The Only Cause
Of Inflation.

There is only one cause of inflation. There can only be one cause of inflation. That cause is artificial money. Artificial money gets its value from what it *represents*. Real money gets its value from what it is, from its rarity, utility, uniformity, and durability.

In a closed society artificial money is highly acceptable. Polynesian tribesmen have used shells, beads, and stones in the same way gamblers in the casinos of Las Vegas use plastic poker chips: they're fine within their specific circle, but when a gambler and a Polynesian do business together, the Polynesian won't take poker chips and the gambler will have no use for shells, beads, and stones. Something more "universal" will have to be used as their medium of exchange.

The universal medium of exchange between differing tribal systems since 3600 B.C. has been gold or gold and silver. I saw a recent piece of economic research showing that 99.6 per cent of the people on this planet esteem gold higher than anything else as a medium of exchange. *International commerce has never been possible without gold and silver and never will be.*

How gold and silver gets into the monetary system of countries is best expressed in the *United States Coinage Act of 1792*, which is still in effect today:

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Section 14. And be it further enacted, That it shall be lawful for any person or persons' to bring to the mint gold and silver bullion, in order to their being coined; and that the bullion so brought shall be there assayed and coined as speedily as may be after the receipt thereof, and that free of expense to the person or persons by whom the same shall have been brought. And as soon as the said bullion shall have been coined, the person ⁷ or persons by whom the same shall have been delivered, shall upon demand receive in lieu thereof coins of the same species of bullion which shall have been so delivered, weight for weight, of the pure gold or pure silver therein contained: *Provided nevertheless,* That it shall be at the mutual option of the party or parties bringing such bullion, and of the director of the said mint, to make an immediate exchange of coins for standard bullion, with a deduction of one half per cent. from the weight of the pure gold, or pure silver contained in said bullion, as an indemnification to the mint for the time which will necessarily be required for coining the said bullion, and for the advance which shall have been so made in coins.

⁷ "Person" embraces corporations, such as mining companies.

Artificial money is introduced into gold-and-silver systems as bills of credit, certificates, notes, or I.O.U.s. Artificial money explains its usefulness this way:

"Why lug around all that gold and silver? Why not let your government or your bank keep your gold and silver for you, and in return we'll issue you these lovely paper certificates which are much easier to transport? Of course it goes without saying that if you ever want your gold and silver back, all you need do is present the paper and we'll return your money to you."

Imagine the temptation of having a vault full of the people's gold and silver while the people are perfectly happy to use paper! At some point, any thinking custodian is going to say,

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1 "No one is asking for his gold and silver to be redeemed. Everyone
2 considers paper to be money now. Paper is easier to print than gold
3 is to dig out of the mine. Hmmmm. By printing up paper notes, I can
4 actually *make money!*"

5 *And so, gradually, you print up more bills of credit than there is gold and*
6 *silver to back them.* A few people notice that certain items are more expensive
7 this year than last, but that could be due to demand for the items, or a shortage.
8 *No big worry.* Nobody complains, except a few prophets of doom who can be
9 written off as crackpots.

10
11 You grow delirious with joy as time passes. You buy a beautiful 10-acre lot and
12 build a mansion on it, paying with paper you printed that everyone's delighted
13 to accept. *How can you help but feel confident and somewhat self- important?*
14 This is The Life! You throw a lot of cocktail parties.

15
16 *Within a few years, there is so much paper in circulation that gold and silver*
17 *can now be denounced as old-fashioned: who uses it anymore?* People find
18 gold and silver money in coin shops and it's way overpriced. Relics of the past.
19 (It's interesting to note that gold and silver coin are routinely called "*relics of*
20 *the past*" by friends of artificial money, and have been so called since ... well,
21 the remotest past.)

22
23 To explain rising prices and sudden layoffs, complicated formulae appear from
24 "*institutes of economic studies*," formulae that attempt to build a "*value index*"
25 according to "*national energy*" and the "*gross national product*." These
26 formulae are understood only by their creators, and each institute has a set of
27 creators who feel their formulae are superior to others. Doctorate degrees and
28

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lofty distinctions are accorded these people, *and they write textbooks that train younger minds*. You give a big grant to one of these institutes for further studies and in the bargain get a nice tax deduction.

Loss of the currency's purchasing power is called "*the rising cost of living*" rather than "embezzlement." (What does an embezzler do but increase his victim's cost of living?)

As individual fortunes dwindle and the people clamor for relief and leadership, government and civilian spokesmen condemn "*government spending*" as the chief cause of inflation. ("*Government,*" *as much a creature of the ideasphere as "Uncle Sam,*" makes an ideal whipping boy because it can be whipped indefinitely and not break or die. *In fact, as the past 15 years testify, the more government is whipped, the more brutishly powerful it grows.*)

Constitutional amendments that would limit federal spending are proposed and there is much verbiage and correspondence on this. Relief and leadership are just over the horizon, the people are led to believe. As you crank out more paper, you ask the people to have a little hope and faith, and while they're at it, cut 'way back on their simplest pleasures. Sacrifice, and rest assured that our most distinguished economists are working overtime with government to try to hammer out a solution to this most pressing, most intricate problem.

What our most brilliant economists and articulate statesmen neglect to bring up is that the solution to inflation is already clearly contained in the United States Constitution. Yes, it's right there, just waiting to be acted upon.

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1 *What you won't hear on radio or TV* (surely you know how the banks and
2 government regulations make the media walk a thin line of fear) *is that YOU,*
3 *personally, YOU have more power than your senators, your representatives,*
4 *your state officials, even more power than the President of the United States*
5 *when it comes to restoring economic well-being to your country. And you can*
6 *do it IMMEDIATELY, whenever you're ready.*

8 You won't have to send the *first telegram* to your congressman. You won't have
9 to march in protest. You won't even have to organize. There'll be no long wait
10 for a Supreme Court decision. The "*right candidate*" won't have to *get elected*.
11 You won't really have to do anything, in fact, except decline to break a law. So
12 you have nothing to risk, either. Whoever got into trouble for declining to break
13 a law?

15 *To use your power, you'll need to know a little about where American money*
16 *comes from.* And where your power comes from. And, of course, you'll need to
17 know about the law you're going to decline to break. Some people get fidgety
18 when "law" is brought up in a discussion of social action, so perhaps you'd
19 enjoy being reassured that your power is well-insulated, that you won't get into
20 any trouble when you wield it.

22 We'll start, then, with the reassurance.

24 "We hold these Truths to be self-evident, that all Men are created
25 equal, that they are endowed by their Creator with certain
26 unalienable Rights, that among these are Life, Liberty, and the
27 Pursuit of Happiness; That to secure these Rights, Governments are
28 instituted among Men, deriving their Just Powers from the Consent

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1 *of the Governed, that whenever any Form of Government becomes*
2 *destructive of these Ends, it is the Right of the People to alter or to*
3 *abolish it . . . "*

4 **- A DECLARATION By the REPRESENTATIVES of the UNITED**
5 **STATES OF AMERICA, In GENERAL CONGRESS**
6 **Assembled, July 4,1776.**

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Chapter 3

**The Right To
Alter And Abolish.**

Knowledgeable lawyers tell me that there is no finer state constitution than Tennessee's. The very first article in our state's Constitution is a Declaration of Rights, which means that the authors put the people first, above all else. The first section of *Article I* puts both state and local government firmly under the control of you and me:

All power is inherent in the people, and all free governments are founded on their authority, and instituted for their peace, safety, and happiness.

This is certainly a comforting statement and describes the relationship of the people to government, but what if the government gradually were to begin *limiting* the peace, safety, and happiness of the people? Is there something the people can do in that case? Yes. The very next clause in *Article I Section 1* spells it out in no uncertain terms:

For the advancement of those ends, they have, at all times, an unalienable and indefeasible right to alter, reform, or abolish the government in such manner as they may think proper.

Now, if you know of a stronger guarantee of human liberty than those words, please show it to me. Not even the United States Constitution assures the individual such awesome power with such bold expression. "*In such manner as they may think proper*" preserves the right to revolt in violence if you think

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1 it proper, it even allows you to be **wrong** in the manner you choose to reform,
2 abolish or alter the government.

3
4 *Happily, the lawful remedy for economic disaster presented here does not call*
5 *for violence. But it does call for a slight alteration in state governmental*
6 *practice. Does knowing that your Constitution immunizes you from punishment*
7 *for altering your government, does knowing this allay any fears you might have*
8 *had that you could get into trouble for flexing your power in the face of*
9 *officials? It sure did for me, and I hope it does for you. (If you're not a*
10 *Tennessean, your state constitution probably assures you the implied right to*
11 *alter your government lawfully, for reasons you'll soon discover.)*

12
13 There's even further insulation against trouble. In the Tennessee Constitution
14 (and all state constitutions) there is a requirement that all officials authorized
15 by the Constitution - all elected or appointed persons, state and local -

16
17 "take an oath to support the Constitution of this State, and of the
18 United States."

19 What this means is that every judge, legislator, mayor, commissioner, agent,
20 clerk, governor, law officer, sheriff-everyone of authority in state and local
21 government must swear to support the people's

22
23 "unalienable and infeasible right to alter, reform, or abolish the
24 government in such manner as they may think proper."

25 **Not only must they allow you to reform, alter, or abolish, they must also**
26 **support you!**
27
28

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1 *Did you know you had so much power over those smart, influential*
2 *dignitaries you read about in the papers and see on TV?* Perhaps you should
3 pause a moment and let it all sink in: all government officials are your
4 servants, and if you think they are not doing their job well, you can deal with
5 them in such manner (humane, of course) as you may think proper, *Guaranteed*
6 *by law.*

7
8 *Public servants, of course, know of the power you reserve over them before*
9 *they take their oath.* If the terms frighten them, they can always find work
10 elsewhere. Certainly no one forces any civilian to join government. They're
11 there of their own free will. *Their awareness of your power explains why so*
12 *many state and local government employees are so congenial and cooperative.*
13 They are aware that at the slightest provocation you can arise with your
14 awesome and utterly lawful power and humiliate them. You can put them out
15 of a job if they in any way abridge your "*peace, safety and happiness.*" It
16 requires genuine dedication and unselfishness to be a good public servant, and
17 I'm happy to say that most of my friends in government fit that description
18 perfectly.
19

20
21 *"It is apparent from the whole context of the Constitution as well as*
22 *the history of the times which gave birth to it, that it was the*
23 *Purpose of the Convention to establish a currency consisting of the*
24 *precious metals. These were adopted by a permanent rule excluding*
25 *the use of a perishable medium of exchange, such as of certain*
26 *agricultural commodities recognized by the statutes of some States*
27 *as tender for debts, or the still more pernicious expedient of paper*
28 *currency."*

-Andrew Jackson, *8th Annual Message to Congress,*
December 5, 1836

Chapter 4

“A Favorable Crisis For Crushing Paper Money”

Virtually all social crises are caused and cured by money. The Constitution of the United States, which is the Supreme Law of the Land, was drafted in order to relieve the country of what George Washington dismally reported was "*anarchy and confusion.*" *This anarchy and confusion were brought about by the people's inability to produce, buy, sell, and work for units of money with value that could be counted on. **The money had no substance.** You would agree to produce a chair for a man at a price, but by the time you finished and got paid, the money you received would not be worth half what it was worth when you began.*

Therefore, people would not agree to assist one another. Bad contracts. Bickering. Bad feelings. Suspicion. Commercial paralysis.

Was George Washington less affected by inflation than you and I? The definitive constitutional historian George Bancroft portrays, the father of our country as an ordinary citizen harried by overdue bills - always a symptom of paper money's disease:

In 1786, his income, uncertain in its amount, was not sufficient to meet his unavoidable expenses, and he became more straitened for money than he had ever been since his boyhood; so that he was even obliged to delay paying the annual bill of his physician, to put off

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the tax-gatherer once and again, and, what was harder, to defer his charities. ...⁸

⁸ Bancroft: *History of the United States of America*, Volume VI, New York: D. Appleton & Company, 1886, page 179.

Nine months before the Constitution was signed in Philadelphia, Washington wrote to General Knox:

"Good God! who could have foreseen, or predicted the disorders which have arisen in these states!"

We could very well be saying those same words ourselves today, you and I and our most astute statesmen, businessmen and judicial officers, because (to repeat) *inflation can't be appreciated for what it is until it happens, until it's felt.*

I remember people telling me in 1969

"We're going to have a horrible inflation where a loaf of bread will cost a dollar."

And I remember answering

"So what? If prices go higher, government will simply print more money. No problem."

What I was pathetically ignorant of was that when bread goes from a dime to a dollar a loaf, *the entire order of things tilts on its axis*: government and education fatten to insolence, quality and pride of craft vanish, drug highs are celebrated in entertainments designed for families, sexual aberrations become politicized into badges of dignity, audiences delight in blood gushing from

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stage and screen, pornographers open shops in neighborhoods, and-all across the land-an array of broken homes, broken oaths, broken laws, broken hearts, broken bodies.

A decade ago I could say "*So what?*" to inflation simply because I hadn't felt it. Inflation as a future thing is utterly incomprehensible. "*Who could have foreseen or predicted the disorders which have arisen ...* " It is precisely because we couldn't foresee ("*forefeel*"?) its disorders that we let inflation happen to us. *George Washington and the Continental Congress let it happen to them for the same reason.*

The permanent antidote to inflation was arrived at in the Constitutional Convention in Philadelphia.

At the drafting of the U.S. Constitution, there were many Friends of Paper Money present. *On August 16, 1787, when the discussion arose on Article I Section 8, the proposed wording was this:*

The Legislature of the United States shall have the power to ... coin money ... and emit bills on the credit of the United States.

A hot argument ensued on the power to emit bills of credit, which is another way of saying "*printing paper money.*" Here are the actual words James Madison wrote describing the debate in his diary:

Mr. G. Morris moved to strike out "*and emit bills of credit.*" If the United States had credit such bills would be unnecessary; if they had not, unjust and useless.

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1 **MADISON:** Will it not be sufficient to prohibit the making them a
2 tender? This will remove the temptation to emit them with unjust
3 views. And promissory notes in that shape may in some emergencies
4 be best.

5 **MORRIS:** Striking out the words will leave room still for notes of a
6 *responsible* minister which will do all the good without the mischief.
7 The Monied interest will oppose the plan of Government, if paper
8 emissions be not prohibited.

9 **COL. MASON:** Though he had a mortal hatred to paper money, yet
10 as he could not foresee all emergencies, he was unwilling to tie the
11 hands of the Legislature.

12 **MR. MERCER:** (A friend to paper money) It was impolitic ... to
13 excite the opposition of all those who were friends to paper money.

14 **MR. ELSEWORTH** thought this was a favorable moment to shut
15 and bar the door against paper money. The mischiefs of the various
16 experiments which had been made, were now fresh in the public
17 mind and had excited the disgust of all the respectable part of
18 America. By withholding the power from the new Government more
19 friends of influence would be gained to it than by almost anything
20 else ... Give the Government credit, and other resources will offer.
21 *The power may do harm, never good.*

22 **MR. WILSON:** It will have a most salutary influence on the credit
23 of the United States to remove the possibility of paper money. This
24 expedient can never succeed whilst its mischiefs are remembered,
25 and as long as it can be resorted to, it will be a bar to other
26 resources.

27 **MR. READ,** thought the words, if not struck out, would be as
28 alarming as the mark of the Beast in Revelation.

MR. LANGDON had rather reject the whole plan than retain the
three words "and emit bills."

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-- *The motion for striking out carried.*

George Bancroft writes:

James Madison left his testimony that "***the pretext for a paper currency, and particularly for making the bills a tender, either for public or private debts, was cut off.***" This is the interpretation of the clause, made at the time of its adoption alike by its authors and by its opponents, accepted by all the statesmen of that age, not open to dispute because too clear for argument, and never disputed so long as any one man who took part in framing the Constitution remained alive. ⁹.

⁹ Bancroft, *op.cit.*, page 303

Thus, as inflation gnawed painfully on their fortunes, our forefathers deliberately and conclusively forbade Congress the power to emit bills of credit, empowering Congress only to ***coin money and regulate its value.***

The door to paper money was shut but not locked. For, although Congress was ***not*** given the power to print money, it was ***not denied*** the power to ***borrow*** money. Thus, the possibility still remained that Congress' ***creditor***, its ***banker***, might lend Congress money and circulate the I.O.U.s of Congress as currency. ***Congress would not be emitting bills credit, its bank would.***

On August 28, Article I Section 10 was debated. The standing version was worded this way:

No State shall coin money; ***nor*** grant letters of marque and reprisal; ***nor*** enter into any Treaty, alliance, or confederation; ***nor*** grant any title of Nobility.

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The remarks on Article I Section 10 were short and sweet. Here is Madison's account of them:

MR. WILSON & MR. SHERMAN moved to insert after the words "*coin money*" the words "*nor emit bills of credit, nor make any thing but gold and silver coin a tender in payment of debts*" making these prohibitions absolute, instead of making the measures allowable with the consent of the Legislature of the U.S.

MR. SHERMAN *thought this a favourable crisis for crushing paper money*. If the consent of the Legislature could authorize emissions of it, the friends of paper money would make every exertion to get into the Legislature in order to licence it.

Mr. Wilson's and Sherman's motion was quickly agreed to and became the Supreme Law of the Land. Is there any doubt that Article I Section 10 *absolutely prohibited paper money, crushing it forever*, locking the door in its face? The system was, and is, simply ingenious. *With Section 8, Congress was denied the power to print money*. But in order to keep the "*friends of paper money*" from obtaining the "*licence*" to monetize United States debt, Section 10 prohibited the states from declaring irredeemable paper (or anything other than gold and silver coin) to be a tender in payment of debts. If you don't quite understand the foregoing sentences, and the following one as well, read and re-read them until you do; *they're the most important ones in this book.*

Article I Section 10's most salient part is this:

NO STATE SHALL MAKE ANY THING BUT GOLD AND SILVER COIN A TENDER IN PAYMENT OF DEBTS.

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1 Contemporary verbal sketches of Roger Sherman, the delegate from
2 Connecticut who was the author of those monumental 17 words, depict him as a
3 learned man, steeped in historical knowledge but immensely bashful due to
4 stammering speech and a physical awkwardness. He was born in 1721 in
5 Massachusetts and learned farming and shoemaking from his father. His formal
6 education consisted of just a few years in his youth; he filled out the rest
7 independently. He published almanacs based on his own astronomical
8 calculations, and included both original and classical poetry. He operated his
9 own general store. At the age of 31 he wrote a searing indictment of paper
10 money,
11

12
13 *A Caveat Against Injustice: or, an Enquiry Into the Evil*
14 *Consequences of a Fluctuating Medium of Exchange ~ reprinted*
15 *as an Appendix to this book.*

16 In 1766, at the age of 45, Roger Sherman was elected Judge of the Superior
17 Court in New Haven, Connecticut, serving that office with distinction until
18 1788. **He was the only American to sign all four historic documents: the**
19 **Continental Association of 1774, the Declaration of Independence, the**
20 **Articles of Confederation, and the United States Constitution.** Renowned
21 for his high intelligence and unswerving honesty, Roger Sherman was described
22 by John Adams

23 "as honest as an angel and as firm in the cause of American
24 independence as Mount Atlas."
25

26 In 1791 he was elected to the U.S. Senate where he served until his death in
27 1793. This quiet, humble, awkward man who farmed, educated himself, worked
28

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1 with his hands and his mind making shoes and poetry, making astronomical and
2 economic calculations, making law and justice, is completely unknown to all
3 but a handful of early American historians. *Yet, if Judge Sherman hadn't stood*
4 *up that hot August afternoon in Philadelphia and uttered Article I Section 10,*
5 *America would have been an endless series of banana republics, regime after*
6 *regime printing itself out of existence.*

8 Thank God we're rediscovering those 17 words at this late date, hopefully in
9 time to avert the tragedy that is sure to envelop us if we should choose to
10 remain blind to them.

Those 17 words are the American Reality.

12
13
14 Thomas Jefferson paid Judge Sherman the most severe and valuable
15 compliment:

16
17 **"Roger Sherman was a man who never said a foolish thing in his
18 life."**

19 Let's have 60 seconds of silent prayer for the good deed of Roger Sherman.

20
21 *"I place economy among the first and most important virtues and*
22 *public debt as the greatest of dangers to be feared **We must not***
23 *let our rulers load us with perpetual debt. We must make our choice*
24 *between economy and liberty or profusion and servitude. ...The same*
25 *prudence which in private life would forbid our paying money for*
26 *unexplained projects, forbids it in the disposition of public money.*
27 ***We are endeavoring to reduce the government to the practice of***
28 ***rigid economy to avoid burdening the people ... "***

- Thomas Jefferson

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Chapter 5

**“A Sudden Sense of Prosperity
And Tranquillity”**

It took a little more than four months to write the U.S. Constitution, and almost a year for the states to ratify it. Then another year for the government to be set up.

*The most immediate relief brought about by the Constitution was economic. The cause of this economic relief was **Article I Section 10**, which **prohibited the states from enforcing payment in anything but gold and silver coin**. If people wanted to, they could make deals using for exchange cattle, paper money, real estate, tobacco, chickens, peanuts, anything they could agree on.*

But when it came to *the state's participation in anyone's economic life*, such as enforcing fines, taxes, judgments, etc., the terms were spelled out quite clearly and absolutely in **Article I Section 10**. Nothing but gold and silver coin. **NO THING**.

Did putting America on a sound money basis hurt anyone? Did it cause a disastrous economic upheaval? Did it throw bankers into bankruptcy, businessmen out of business, government employees out into the cold? The best source of information on this should be none other than George Washington, who was a businessman, bureaucrat, farmer, banker, legislator, and military man, among other things. This excerpt is from a letter he wrote to his good friend, the Marquis de LaFayette, dated June 3, 1790, less than a year

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1 after the ratification of the Constitution. *It shows quite dramatically what*
2 *happens when an economy goes from paper money to gold and silver coin:*

3
4 You have doubtless been informed, from time to time, of the happy
5 progress of our affairs. *The principal difficulties seem in a great*
6 *measure to have been surmounted.* Our revenues have been
7 *considerably more productive than it was imagined they would be.* I
mention this to show the spirit of enterprise that prevails.

8 How about that! Revenues "*more productive than it was imagined they would*
9 *be.*" Couldn't we use some "*considerably more productive revenues*" and some
10 "*spirit of enterprise*" these days? All it takes is gold and silver coin.

11
12 The public record is filled with jubilant reports of the effects of the
13 Constitution's monetary system. The December 16, 1789 edition of *The*
14 *Pennsylvania Gazette* exclaimed:

15
16 *Since the federal constitution has removed all danger of our*
17 *having a paper tender,* our trade is advanced fifty percent. Our
18 monied people can trust their cash abroad,¹⁰ and have brought their
coin into circulation.

19
20 ¹⁰ The word "abroad" here means "in circulation." Before Article I
21 Section 10, the government had been renegeing on its promise to
22 redeem its obligations in gold or silver. Rather than spend this paper
23 currency at a fraction of its face value, many people saved it in the
24 expectation that it would someday be redeemable at par. Their
patience was rewarded, for the Constitution established a
government that could be trusted.

25 Again Washington wrote to LaFayette. *It's March 19, 1791:*

26
27 Our country, my dear sir, is fast progressing in its political
28 importance and social happiness.

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On July 19, 1791, in a letter to Catherine Macaulay Graham, Washington wrote:

The United States enjoys a sense of prosperity and tranquillity under the new government that could hardly have been hoped for.

And finally, on *July 20, 1791*, Washington wrote with glowing exuberance to David Humphreys:

Tranquillity reigns among the people with that disposition towards the general government which is likely to preserve it. Our public credit stands on that high ground which three years ago it would have been considered as a species of madness to have foretold.

In other words, Washington was saying

"If anyone had predicted that our economic and societal problems could have been solved by simply making nothing but gold and silver coin our money, he would have been called crazy."

Like so many people today, Washington had originally felt that the "*anarchy and confusion*" was being caused by a great host of demons, paper money being just one of them. What he didn't realize until after the ratification was that irredeemable paper money had been the sole creator of those demons. When it vanished, the demons vanished.

Since paper money requires no labor to exist, it rewards people who perform no labor. Non-working people who receive rewards have an exaggerated sense of their worth. "Non-work" includes vacuum work. "Vacuum-work" is work performed in an area there's no real demand for, like dumb projects (Jefferson called them "unexplained projects"). Government rewards vacuum-work

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highly, either directly or through tax advantages to persons who subsidize vacuum-work.

When non-working people receive rewards for non-work, it turns working people against their own jobs. Reward for non-work makes working people consider the advantages of not working. Non-work is a failure to demonstrate one's capabilities as a human being. Since non-work is a statement that one is not willing directly to assist humanity, you can be sure that the rewards from non-work will be spent on things that belittle and harm humanity.

Instead of contributing to humanity, the rewarded non-worker commits himself to the source of his reward, that incorporation of humanity called government.

With such allegiance from rewarded non-workers and workers doing things for which there is no real demand, a government elected by the people can construct an entire bloc of non-workers and vacuum-workers to grant it unlimited power over real workers. A rewarded non-worker is a self-declared enemy of his fellow man, conspiring with his government to create chaos, bloodshed, injustice, corruption, hardship, and heartbreak. It was so in Washington's day and it is so in ours. It's always been so.

Inflation turns people into weightless balloons, all hollow inside. The solid substance has been removed. We "float," just like our money. Our skins are blown all out of proportion, and we have nothing to offer but appearance. Appearance and hype are everything, just like the money. Our inner selves are just air. Our outer selves are what we are: shells, skins. This must have been the

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1 condition T.S. Eliot was describing with his image of "hollow men." In every
2 inflation that has ever occurred, the people develop an obsession for external
3 things: sports, violence, pornography, and especially fashion and gesture. *These*
4 *are the ornaments of tyranny.*

6 **No historian can show you a tyranny founded on a free flowing money base**
7 **of gold and silver coin, because tyranny and economic freedom are opposites.**
8 Conversely, every tyranny in history has resulted from the debasement (de-
9 base = removing the basic value) of the people's gold and silver money.

11 With a sense of forgiveness, I must mention here that the actual legislators of
12 money debasement, in ours and other countries, are typically persons operating
13 in good faith who simply don't know what they're doing. We allow them to
14 debase our money because we don't know what we're doing. *Remember,*
15 *inflation is like pain: it can't be known until it's experienced. This is why*
16 *deadly inflations are almost always spaced with a couple of generations in*
17 *between.*

19 *All the horrors of the managed paper economy were snuffed out in 1789 by*
20 *Article I Section 10, right before George Washington's astonished eyes.* It put
21 non-workers to work and gave them value, infused them with "*a spirit of*
22 *enterprise.*" Painlessly, miraculously, it restored sanity and purpose to a badly
23 shaken population. *The wonderful thing about gold and silver is that it lets*
24 *you know precisely what your worth is.* It enables you to plan ahead, to feel
25 proud of yourself and your work. Bad neurotic habits just break themselves
26 when you know how valuable you are.

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Gold and silver stops politicians from creating floods of money to spend on programs that encourage non-and vacuum-work, it stops banks from creating loans out of thin air to underwrite dumb projects, it ... here I am in the middle of a sales pitch. Why should I be selling you on gold and silver coin? Why should I ask *anyone* to please let's start using gold and silver coin for money? Begging people to return to a gold and silver monetary base in the United States of America is as stupid as begging Congress to give women the right to vote. Women already have the right to vote, and ***WE ALREADY HAVE A GOLD AND SILVER MONETARY BASE IN THE UNITED STATES!*** Judge Roger Sherman, God bless his soul, saw to that on August 28, 1787, in a law that has never been repealed, rescinded, or amended in any way whatsoever!

NO STATE SHALL MAKE ANY THING BUT GOLD AND SILVER COIN A TENDER IN PAYMENT OF DEBTS.

If we already have a gold and silver monetary base, why then do we not have gold and silver coinage in circulation? What has happened to the law? Are we being governed by a bunch of criminals?

"In the United States today we have in effect two governments... We have the duly constituted Government. .., Then we have an independent, uncontrolled and uncoordinated government in the Federal Reserve System, operating the money powers which are reserved to Congress by the Constitution."

**- Congressman Wright Patman,
Chairman, House Banking Committee**

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1 *"Those who create and issue money and credit direct the policies of*
2 *government and hold in the hollow of their hands the destiny of the*
3 *people."*

4 **- Rt. Hon. Reginald McKenna,**
5 **Midland Bank of England,**
6 **Secretary of the Exchequer, 1920**

7 *"A pro-International Monetary Fund Seminar of eminent economists*
8 *couldn't agree on what 'money' is or how banks create it."*

9 **-The Wall Street Journal, September 24, 1971**

Chapter 6
"Weavers of
"The American Dream"

The Friends of Paper Money

It's matter of history that in 1913, the Friends of Paper Money gained a real stronghold on the American economic system through the *Federal Reserve Act*. In the passage of that Act, a small group of world bankers with a long and carefully-guarded, *very* private history of manipulating the affairs of rulers "*got into the Legislature*," just as Roger Sherman feared they would, and obtained "*license*" to print money.

There's nothing in the Constitution to prevent Congress from contracting with a private corporation for the management of a popular currency.

The Federal Reserve, a private corporation? Yes. Super-private. Its voting stockholders are kept in secret; they're known to *no* one, *not* even the President of the United States. *The Federal Reserve System is not part of the U.S. Government*, and has never been audited by the General Accounting Office or any government *agency*. Of course, it *seems* to be an official department, with the President appointing some directors and such, but the Federal Reserve is completely autonomous. Asked

"Do you approve of the latest credit-tightening moves?"

Exhibit B
'The Miracle On Main Street - 7th Edition.

Treasury Secretary David M. Kennedy answered in *U.S. News & World Report* May 5, 1969,

"It's not my job to approve or disapprove. It is the action of the Federal Reserve."

The chief architect of the Federal Reserve System was a world banker of extraordinary ability, ***Paul Moritz Warburg***, who had come to this country from Germany in 1902. He was born a rich baby, an heir to the powerful Frankfurt banking house of ***M. N. Warburg & Company***. Reading Paul Warburg's speeches on money feels like dipping your hand into a bucket of diamonds: his words are winningly precise, hard, correct. I admire him without reservation. It would take nothing less than a man of Mr. Warburg's brilliance to sell the concept of central banking to the discerning American people. Here's a sample of his salesmanship, from an address he gave at ***Columbia University in 1907***:

In order to conserve the interests of the public, ***banks should be permitted***, within certain limitations with respect to capital, to issue circulating notes. They should be redeemable (for gold and silver coin) over a bank's counter, at the ***United States Treasury***, and at convenient points throughout the country ~ thereby maintaining the notes at par throughout the country.

While I believe that such a currency can be successfully applied to the sixty-five hundred banks now in existence, yet judged from an historical and scientific standpoint, the currency system of a country can best be ***administered*** through the ***instrumentality*** of a ***central bank of issue***.

With a pronounced ***trend*** in favor of centralization, with the popular and growing ***demand*** that all corporations, national in their scope and character, be ***regulated*** by the national government, is it ***not***

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1 logical and fair to assume that public sentiment will presently
2 demand that the government's receipts and disbursements shall be
3 made through a central ¹¹

4 ¹¹ *The Currency Problem*, Columbia University Press, 1908, page 50
5 ff. bank?

6 If I'd been present at that lecture, I probably would have cheered Mr. Warburg
7 on. His words plainly make sense. *Who could have foreseen that between 1923*
8 *and 1929, the Federal Reserve would print up a **62 per cent inflation** and then*
9 *suddenly stop, whip-lashing the country into the crash of '29, followed by a*
10 *numbing depression that lasted more than a decade? **Who could have foreseen***
11 *all the stops and starts which have plagued our economy since the creation of*
12 *the Federal Reserve? Who could have predicted the wars, the hardships, the*
13 *moral decay, the internal division? Who could have predicted that the*
14 *national debt would have risen from one billion dollars in 1913 to trillions in*
15 *the 1980's? And who pays off that debt? You and your kids.*

17 Well, is the Federal Reserve a giant, sinister conspiracy out to destroy and/or
18 enslave us, a menacing foe against which we are powerless? Of course not.
19 Federal Reserve people are nice folks, good members of their communities.
20 They go to church, play golf, contribute to worthwhile charities just as you may
21 do. And like most people in business, *they have a product to sell*. To sell this
22 product, they have to overcome consumer resistance.

24 Like McDonald's or "The 10 O'Clock News" or Coca-Cola or the Avon lady,
25 *the Federal Reserve operates by staking a claim on your imagination*. They've
26 done everything within the law to get you to believe in their product. *The*
27
28

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1 *Federal Reserve exists because you let it exist. You patronize its nationwide*
2 *franchises, the friendly banks opening onto Main Street. You believe in the*
3 *Federal Reserve just as you believe in Coca-Cola and your insurance man, and*
4 *that's why irredeemable paper notes have become the money you use, the*
5 *money you're finding ever more difficult to keep track of.*

6
7 *Since the Federal Reserve, like a dream, exists because you believe in it, it*
8 *can cease to exist as soon as you stop believing in it. That's the way the*
9 *ideasphere works. The 10 O'Clock News surrenders its claim on you the instant*
10 *you turn off your TV. Moreover, most of the people at the top of the Federal*
11 *Reserve know that they owe their livelihood to your credence in them, and that*
12 *once you decide that their product is not what it's cracked up to be, you can*
13 *make them improve it. (In passing, isn't it strange how silent Ralph Nader is*
14 *about our faulty Federal Reserve money?)*

15
16 But as long as you are willing to reduce your circumstances in order to make
17 room for greater floods of paper and digital "money supply," the people at the
18 Federal Reserve and their member banks *really see no need to improve their*
19 *product.*

20
21 As long as you're willing to believe that the cause of inflation is government
22 spending or OPEC oil or the "Crisis in Iran" or wherever, as long as you're
23 willing to get out and politick for the candidate whom you think will stop
24 inflation (has any candidate ever licked inflation upon election?), as long as you
25 think the President's "Inflation Fighter" (usually a Federal Reserve director or
26 governor or intimate) can lick inflation, as long as you're willing to gripe and
27
28

Exhibit B
'The Miracle On Main Street - 7th Edition.

1 complain and bicker with your grocer and the power companies and your gas-
2 pumper about what they're charging you, *as long as you're content to howl at*
3 *the moon ... the Friends of Paper Money have no reason to lift a finger to*
4 *change things.*

5
6 Except to raise interest rates, which penalizes you more and enables them to
7 increase their grasp on your purse-strings several notches while you're trying to
8 figure out why you got laid off.

9
10 "He *has combined with others to subject us to a Jurisdiction foreign to our*
11 *Constitution, and unacknowledged by our Laws. ... "*

12 **-A DECLARATION by the REPRESENTATIVES**
13 **of the UNITED STATES OF AMERICA,**
14 **in GENERAL CONGRESS Assembled, July 4, 1776**

15
16 "*An inefficient, unemployed, disorganized Europe is an extant example of*
17 *how much man can suffer and how far society can decay.*

18 "*Economic privation proceeds by easy stages, and so long as men suffer it*
19 *patiently the outside world cares little. Physical efficiency and resistance*
20 *to disease slowly diminish, but life proceeds somehow, until the limit of*
21 *human endurance is reached at last and counsels of despair and madness*
22 *stir the sufferers from the lethargy which precedes the crisis. Then man*
23 *shakes himself and the bonds of custom are loosed. The power of ideas is*
24 *sovereign, and he listens to whatever instruction of hope, illusion, or*
25 *revenge is carried to him on the air."*

26 **-John Maynard Keynes,**
27 ***The Economic Consequences of the Peace, 1920.***
28

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Chapter 7
Brother Max

Across the Atlantic, a German federal reserve-the central bank of issue called ***Reichsbank-performed*** an experiment in artificial money that devastated the German people, 1916-1923. Pearl S. Buck wrote a book about it with Erna von Pustau called ***How It Happens*** (New York: The Day Company, 1947). *Genocide by paper flood is documented in this book with dramatic eye-witness vividness.*

In the beginning days, as the ***Reichsbank*** started issuing paper credit out of thin air, the German press excitedly called inflation "***the miracle of German industry!***" No wonder. Everybody had money and credit, just like in America in the go-go 1960's. But soon the dream turned nightmarish. Recalling her brother's remarks about his normally thrifty wife, Frau von Pustau describes Germany around 1919:

Robert first looked puzzled, then he said to me, 'You know, Hilde is just how women ought to be. But it's ***madness*** to ***save*** nowadays.' ***Saving is the very source of wealth and health of a sound nation.*** We were on our way to becoming a crazy, a neurotic, a mad nation.

The press cooperated ***not*** with the struggling, suffering people who looked to their newspapers for answers, but with the Friends of Paper Money. ***No*** attempt was made to publish or broadcast ***the one true cause of inflation, to lead the people to the solution.*** Unfortunately for them, the Germans had had ***no*** Roger Sherman, ***no*** Article I Section 10; they were completely at the mercy of the

Exhibit B
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1 *Reichsbank* and industry (itself indebted to the *Reichsbank*) and, of course, the
2 government (the *Reichbank's* largest debtor). Please note that the Director of
3 the *Reichbank* at this time was none other than **Max Warburg**, the brother of
4 **Paul**, who created and served as a *governor of America's Federal Reserve*
5 *Board*. Also note that during much of this period, our boys and German boys
6 were fighting the bloodiest war in world history up to then. Millions of people
7 got killed.

9 The newspapers and radios published all kinds of tips and hints on how to live
10 with inflation, buying cheaper cuts of meat, staying cold in winter, just
11 generally reducing one's needs in the interests of "*conservation*"- that kind of
12 thing, with which you're quite familiar.

14 "*Inflation is a thing which has slipped out of control of everyone*," the
15 newspapers lamented; as times grew worse, the media began blaming
16 "*foreigners*," gold speculators, and gold hoarders. Of course, hoarding gold is
17 just about the only defense anyone has against inflation. Even in the last frantic
18 days, the press was still terming inflation "*a catastrophe of nature*." *Do you see*
19 *any similarities between the media then and now?*

21 Frau von Pustau says:

23 By the end of the year my allowance and all the money I earned
24 were *not* worth one cup of coffee. You could go to the baker in the
25 morning and buy two rolls for 20 marks, ~ but go there in the
26 afternoon, and the same two rolls were 25 marks. The baker *didn't*
27 know how it happened. His customers *didn't* know how it happened.
28 It had somehow to do with the dollar, somehow to do with the stock
exchange-and somehow, maybe, to do with the Jews.

Exhibit B
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1 Confusion, mass ignorance, debates flaming from all sides, complicated
2 solutions proposed by experts:

3
4 "All technical questions made it difficult for anybody to understand
5 for a long time what was happening,"

6 Frau von Pustau says.

7
8 And while no one was understanding, the Friends of Paper Money
9 were pocketing more and more of the people's property.

10 She recalls:

11
12 When Father came back from vacation, he said that the workers had
13 discovered the 'trick of inflation,' which was to figure the value of
14 money in gold. Time and again, the workers struck for the
15 'adjustment of their wages,' paid daily in exact accordance with the
16 daily mark devaluation.

17 Those who quickly converted to gold were able to survive the inflation with
18 their resources reasonably intact.

19 "Quickly converting to gold" is but one step below having a
20 redeemable currency.

21 For those who remained ignorant of the "trick of inflation," says Frau von
22 Pustau,

23 "life was madness, nightmare, desperation, chaos."

24
25 Finally, out of the chaos came the cure. But the cure became a political game,
26 a long, drawn-out affair that lasted nearly six months as the various factions in
27
28

Exhibit B
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1 government and business jockeyed for position to see who would be given
2 credit for bringing about the cure. Says Frau von Pustau:

3
4 *The government struggled hard to restore the gold standard. But*
5 *the Minister of Finance was the socialist Hilferding. Big business*
6 *was ready, now, to restore the gold standard; but the whole clique,*
7 *including the agriculture, peasants, and Junkers wanted to be given*
8 *credit for restoring sound and solid money. While this struggle went*
9 *on, chaos increased.*

10 And prostitution and suicide and every kind of street crime imaginable. Even
11 *unimaginable*: it got so bad, according to Frau von Pustau, that chunks of meat
12 were butchered from the flanks of horses standing at rest in front of their
13 wagons and were either sold or eaten on the spot.

14 *At length, with a loaf of bread costing billions of marks, the currency was*
15 *made redeemable in gold coin and instantly the stormy sea calmed. But*
16 *enormous damage had been done, both past and future. For the "honor" of*
17 *restoring a sound mark was given to Dr. Hjalmar Schacht, who was*
18 *skyrocketed by the media to national heroism, fame and adulation because of*
19 *his "accomplishment." Because he had "rescued Germany," anyone Dr.*
20 *Schacht associated with would be accorded great public esteem. *It's history**
21 *that Hjalmar Schacht chose to associate himself with Adolf Hitler, becoming*
22 *the Fuhrer's chief economic advisor.*

23
24 In 1949, China was *drowned in an inflation identical* to the German one,
25 resulting in Mao Tse Tung's repressive dictatorship. In 1946, the Hungarian
26 government's central bank printed the 10-quintrillion Pengo note which, before
27 the Second World War, would have bought the whole country of Hungary; in
28

Exhibit B
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1 April 1946, a 10-quintrillion Pengo couldn't purchase a dozen eggs. With the
2 collapse of the Hungarian economy, of course, came communist dictatorship.
3 And so on, globally.
4

5 A giant step toward an American 10-quintrillion dollar note was taken with the
6 passage last March of "*The Depository Institutions Deregulation and*
7 *Monetary Control Act of 1980.*" This Act empowers the Federal Reserve to
8 declare almost anything to be money, and compels all banks to join its system.
9

10 Truly, as Fredric Bastiat wrote in the last century,

11
12 ***"Often the masses are plundered and do not know it."***

13
14 *"The same monetary system that was established on April 2, 1792, is in*
15 *effect today."*

16
17 **- Bruce A. Budlong,**
18 **Acting Director,**
19 **Special Financing Staff, Department of the Treasury, Fiscal Service**
20 **August 18, 1977**

21
22 *"The terms 'lawful money' and 'lawful money of the United States' shall*
23 *be construed to mean gold or silver coin of the United States."*

24
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26
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28 **- 12 UNITED STATES CODE §152**

Exhibit B
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Chapter 8

Is Dream Money Lawful Money

Title 31 U.S.C. §392 declares Federal Reserve notes to be "legal tender." (See "*The U.S. Monetary System*," page 148.) Since no state or municipal authority can order debts to be settled in irredeemable paper, this statute merely means that Federal Reserve notes can be offered and accepted as payment in full if neither party objects.

Legal tender is quite different from lawful money. In no United States law are Federal Reserve notes declared to be "lawful money." Lawful money is that money described in *The Coinage Act of April 2, 1792* and in *Article I Section 10* of the U.S. Constitution: gold and silver coined by Congress, the only money the Supreme Law of the Land allows the states to make a legal tender.

It's important for you to mark well that **Federal Reserve notes are not your government's money.** They bear likenesses of our presidents, they bear the signatures of our Treasurer and the Secretary of the Treasury, they bear beautiful engravings of our most sacred political monuments, and even ~ since the late 1950's - the pious religious motto "In God We Trust," **but they are not your government's money.** So when you revile American Dream money, you're in no way insulting your government. Federal Reserve paper is not lawful money, not government money. ***It [Federal Reserve paper is the scrip of a private corporation partially owned by your local banker.*** Whether it's a \$100 bill or a \$1 bill, a Federal Reserve note is intrinsically worth about one cent. Its

Exhibit B
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1 extrinsic worth is whatever it will buy from day to day in the marketplace, just
2 like the 1916-1923 German mark.

3
4 Is this any kind of money for a stable country to have?

5
6 Between 1913 and 1963, the Federal Reserve promised redeemability in lawful
7 money on their notes. But in 1963, they began issuing notes minus the
8 redeemability promise. This enabled your banker to issue you a note that said
9 "In God We Trust" in exchange for your silver dollar, without his having to
10 exchange that silver dollar back for the note. An unfair deal, you might say, *but*
11 *who took steps to prevent it?*

12
13 Interestingly, the first 50,000,000 no-promise Federal Reserve notes were
14 shipped out on *November 26, 1963*, which happened to be the day of John F.
15 Kennedy's funeral. A coin dealer friend of mine says, "You know, they couldn't
16 have picked a better day to catch the people off guard. " ¹²

17
18 ¹² See Appendix II

19 These days it looks like there's not enough gold and silver "*to go around.*"
20 That's because there's so much paper. Inflation always makes people think
21 there's a shortage in precious metals. The reason is simple: *increased paper*
22 *increases prices.*

23
24 It looks, too, as though we're "*off the gold standard,*" as a banker told me in
25 earnest not long ago. Both this and the "not enough" assumptions are based on
26 pure hearsay. How rarely we bother to check things out! How easily we
27 surrender our lives to gossip! Oh, that ideasphere! For America to be "*off the*
28

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1 **gold (or silver) standard"** the **Coinage Act of April 2, 1792**, which specifies in
2 detail how our money is to be made, would have to be rescinded or repealed by
3 Congress. Then, a constitutional amendment permitting the states to make
4 something other than gold and silver coin a tender in payment of debts would
5 have to be passed and ***ratified by three-fourths of the states.***

6
7 As of 1980, neither of these events has happened. God help us if they ever
8 **should** happen.

9
10 It is the Federal Reserve's monetary system that is **no** longer on the gold or
11 silver standard. In the Federal Reserve's own published statement:

12
13 Today, in the United States, there are only two kinds of money in
14 use in significant amounts -- currency (paper money and coins in the
15 pockets and purses of the public) and demand deposits (checking
16 accounts in commercial banks). Since \$1 in currency and \$1 in
17 demand deposits are freely convertible into each other at the option
18 of a bank's customer, both are money to an equal degree.
19 ***What...makes these instruments acceptable at face value payment***
20 ***of all debts?*** Mainly, it is the confidence people have that they will
21 be able to exchange such money for real goods and services
22 whenever they choose to do so. ¹³

23 ¹³ ***Modern Money Mechanics***, Dorothy Nichols, published 1975 by
24 the Federal Reserve Bank of Chicago.

25 So there you have it: **paper** and **confidence** are the monies in which we
26 conduct our daily commercial transactions, with our friendly banker as our
27 **perpetual middleman.** ***But have the instruments of the Federal Reserve***
28 ***monetary system ever qualified to be the money in which the transactions of***
government must be conducted? Let's investigate.

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The government is limited to a special kind of money by federal statute. For, you see, in order to live up to the Constitution's promise of establishing domestic tranquillity and promoting the general welfare, the people instructed their representatives to keep all official accounts and proceedings "*in the money of account of the United States.*" First legislated in the *Coinage Act of 1792*, this requirement is found in current law at Section 371 of Title 31 of the United States Code, which you should memorize:

31 UNITED STATES CODE §371

The money of account of the United States shall be expressed in dollars or units, dimes or tenths, cents or hundredths, and mills or thousandths, a dime being the tenth part of a dollar, a cent the hundredth part of a dollar, a mill the thousandth part of a dollar -- and all accounts in the public offices and all proceedings in the courts shall be kept and had in conformity to this regulation.

Thus, it is federal regulation that all accounts in the public offices and all proceedings in the courts must be conducted in whatever has been declared to be "the money of account of the United States," this money being expressed -- or measured-- in "dollars."

A dollar, therefore, is neither a coin nor a piece of paper, but simply the name of the unit by which the value of money is measured, just as "quart" is the name of a unit by which liquid is measured. A dealer selling a car for "1500 quarts" would surely be asked "Quarts of *what?*" Where, then, is the frivolity in asking of a \$15 parking ticket, "Fifteen dollars of *what?*"

Exhibit B
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When courts and public offices require you to pay in dollars, the dollars must -- until Article I Section 10 of the Constitution is amended or repealed -- be dollars (or units) of the money of account of the United States. Is there any doubt in your mind as to what the money of account of the United States is?

The Coinage Act of 1792 specifically declared gold and silver to be "*as money in the United States.*" But in 1933 Congress suspended our currency's redemption in gold and in 1968 suspended the redemption of silver certificates in silver. (In both cases, the excuse was "temporary emergency," as it always is when governments work with bankers to harvest the people's property without due process.) The cumulative effect of those acts of 1933 and 1968 was this:

Congress eliminated the money of account of the United States from the banking system without declaring a replacement, with the astonishing result that neither our courts nor our public offices are complying with **31 USC §371**. [N.B. Perhaps due to the surge of inquiries by readers of this little book, *section 371* was changed by **Public Law 97-258 on September 12, 1982** to read,

"United States money is expressed in dollars, dimes or tenths, cents or hundredths, mills or thousandths..."

Importantly, the change does not affect the meaning of §371 (found in July 2003 at 31 USC §5101). The purpose of **PL 97-258**, according to its preamble, was to

"revise, codify, and enact without substantive change, certain general permanent laws, related to money and finance..."

Exhibit B
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1 ["Without substantive change" means that if ever a dispute should arise
2 over the meaning of any part of the revision, the original statute must be
3 reverted to.]

4 Federal Reserve notes and all those confidence-building, important-looking
5 instruments of Federal Reserve banking may be "money," all right, but they've
6 never been declared to be the money of account of the United States, as gold
7 and silver have. They may even be measured in dollars or units, but not in
8 dollars or units of the money of account of the United States.

9
10 Federal Reserve notes can be a tender *for* debts, and they may even be "lawful"
11 money, in the sense that they've never been specifically declared *unlawful*, but
12 they are not the money of account of the United States that is measured in
13 dollars in which

14
15 "all accounts in the public offices and all the proceedings in the courts
16 shall be kept and had."¹⁴

17 ¹⁴ I'm being intentionally repetitive about this "money-of- account-of-
18 the-United-States-that-is-expressed-in-dollars" business because
19 there's so much misinformation we must set right. The dollar is NOT
20 the money of account, it is the UNIT by which the money of account
is measured. Please re-read this section until you have it cold.

21 And if you doubt me, just ask any judge or lawyer or attorney general to show
22 you legislation that disproves me.

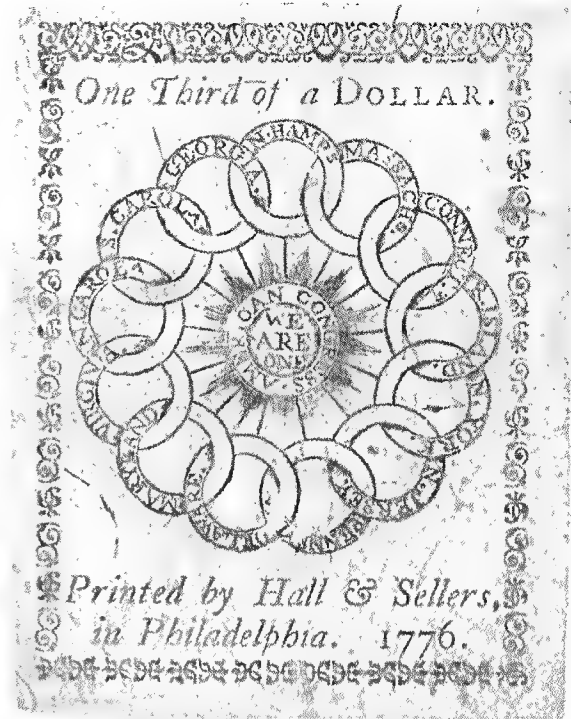
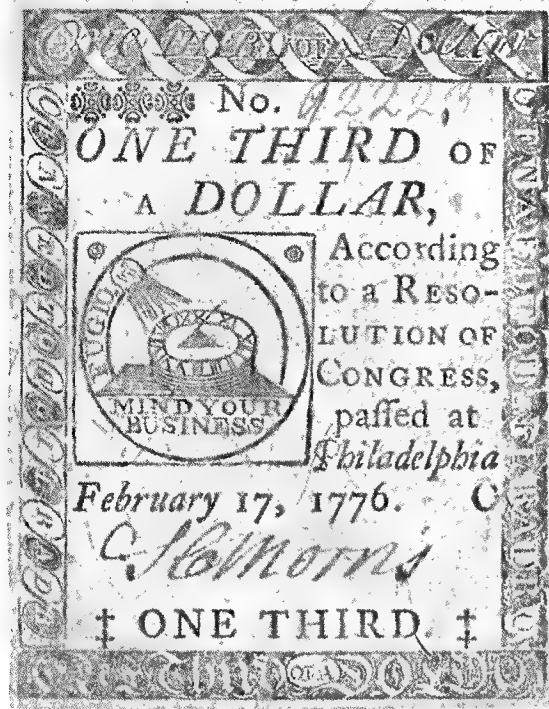
23
24 In short, Federal Reserve notes are compelling images charged with charm and
25 enchantment, like movies and TV and pages in a magazine. If you believe that
26 they, or the bank demand deposits for which they are redeemable, are the
27
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Exhibit B
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money the law requires us to pay into our government, you're living in a dream world.



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IDEASPHERE MONEY. These are examples of the money George Washington was complaining about. They are IOUs containing uplifting mottoes - "Perseverando" ("Keep on truckin"), "We Are One," "In God We Trust," etc. - as well as the signatures of important dignitaries. *The people trusted them as long as they could be redeemed in gold and silver.* It took years, though, for the situation to get so bad the people started shooting up state legislatures and rioting and pillaging. *Finally Article I Sections 8 and 10 of the Constitution solved all the problems.*

George Washington wrote to John Laurens in 1781,

"Experience has demonstrated the impracticability long to maintain a paper credit without funds for its redemption."

Exhibit B
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The Constitution appoints the States as the only guardians of those funds. But our states have been sleeping, because we have allowed them to.

"All the perplexities, confusion and distress in America arise not from defects in their constitution or confederation, not from a want of honor or virtue so much as from downright ignorance of the nature of coin, credit, and circulation."

-John Adams to Thomas Jefferson, 1787

"I have studied finance and economics and international trade all my life, and now, after these recent events, I have come to the conclusion that I know nothing whatever about any of them. "

**-Paul Moritz Warburg,
remarking on the Crash of 1929,
as quoted in *The Nation*,
February 3, 1932**

"We have awakened forces that nobody is at all familiar with."

**-John Connally,
Secretary of the Treasury,
quoted in *The Wall Street Journal*,
August 14, 1971**

Chapter 9

**Starting The Miracle By Reducing
The Ignorance Factor**

Sir William Gladstone called the United States Constitution

"The most wonderful work ever struck off at a given time by the brain
and purpose of man."

Yet, its *[the constitutions]* nature and providence are unknown ~ according to a survey in the Bicentennial year ~ to over 90% of the American people. Ninety per cent of the American people are ignorant of a great many lawful guarantees of prosperity and happiness that are theirs simply for the asking. Amazing!

The ignorance factor is not limited to the people; it *[the ignorance factor]* is shared in the realms of government as well. I have interviewed many important government officials who are almost totally unaware of their rights ~ or anyone else's ~ under the very document they are sworn to support. I have had the dubious pleasure of introducing for the first time to numerous state and local officials the prohibition of Article I Section 10 against paper money.

When an honest official discovers that he's been taking money under state authority in violation of the Constitution and his oath, he is shocked. We act strangely under shock. One typical response I hear is

"Why didn't anyone tell me this? How did this happen?"

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One judge told me in open court

"The state must use the currency Congress issues."

This statement is wrong on two counts: First, Congress, by law, does not tell the States what shall be tender. The Constitution, thanks to a more knowledgeable judge, Roger Sherman, provides that the States shall tell Congress what lawful tender shall be: nothing but gold and silver coin. And second, Congress doesn't issue Federal Reserve notes; a non-governmental, private "banker's bank" issues these notes.

Thus, a man with considerable power over the economic fortunes of his peers is completely ignorant of both the natural and statutory laws of money. Again, I must repeat, it's no reflection on his moral character or intelligence or even his judicial preparedness. *The ignorance of money is widespread, deep*. We are all victims of the money blackout. The Friends of Paper Money work as hard *keeping us ignorant of money* as some parents work keeping their kids believing in Santa Claus.

After the initial shock, the honest public official begins to worry in the back of his mind about all this. *One told me he figured that there must be a law somewhere that permitted the state to make paper money a tender.*

Otherwise, he said,

"The whole damn state's crazy."

Exhibit B
'The Miracle On Main Street - 7th Edition.

1 When he failed to turn up any such law after weeks of looking, he experienced
2 profound misgivings about the whole purpose of government. *He even*
3 *considered resigning.* He and his colleagues who were taking and giving
4 money in the name of the state (*or municipal*) government were actually
5 perjuring their Constitutional Oath! *It tore at his conscience.*

7 The whole damn state's not crazy. For, in my opinion, no one in state or local
8 government is violating his oath of office by accepting paper money or by
9 paying in paper money. *As long as people are willing to contribute to their*
10 *government (or accept from it) paper money, copper, digits, automobiles, or*
11 *real estate the government is under no moral obligation to change its ways.*
12 Any law that prohibits government from accepting contributions from its
13 citizens or discharging its debts cheaply would be a bad law indeed.

15 *Article I Section 10 doesn't prohibit the state from accepting paper money.* It
16 merely prohibits the state from declaring that things other than gold and silver
17 coin are lawful tender. In other words, when the state Attorney General is asked

19 *"What does the state declare is legal tender?"*

21 he *must* answer

23 *"Gold and silver coin."*

24 If any property or sales tax form or citation ~ any bill from state or local
25 government, even a parking ticket ~ is labelled "Dollars," you have the right to
26 ask the state
27
28

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"Does this mean dollars of paper or dollars of silver and/or gold?"

The state is not likely to answer gold and silver, since there are none in circulation, and if it answers paper or Federal Reserve dollars, you have the right to ask

"May I see the statute declaring paper to be a tender in payment of debts in this state?"

Of course, there will be no statute declaring paper to be a tender in payment of debts. *It would be an embarrassing, flagrant violation of the United States Constitution.* Here's an example of how rigidly a state must adhere to **Article I Section 10**. This is a case cited in the **NOTES TO DECISIONS** involving **Article I Section 10** as published in the *Tennessee Code Annotated*:

Since nothing but gold and silver coin is a legal tender, tender in bank notes of the bank of the United States to redeem land sold under execution, if objected to will not be good, although equal to coin. - *LOWRY versus McGHEE (1835)*, 16 Tenn. 242

So there it is, still on the books in the 1980 edition, a case in which the court had no choice but to sustain a man's objection to paper currency, *even though the currency was redeemable in gold and silver coin!* You can imagine what that court would have said to irredeemable Federal Reserve paper. If there is no law entitling the state to enforce payment in paper money, and if your paper dollars are not redeemable for gold and silver dollars, you and the state have reached an impasse in your economic favor, or what the St. Louis monetary realist Amos Bruce calls a Mexican standoff. *You'll pay as soon as they show you how you lawfully can.*

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Yes, if you choose **NOT** to contribute paper money to your state and local government, you have the total **BLESSING** of the United States Constitution (and the ghost of Roger Sherman, who will surely be smiling down upon you from the heavens) until paper money is once again made **redeemable** for gold and silver coin. You even have the blessing of the courts and officials of government, *since they have sworn of their own volition to support Roger Sherman's 17 words.*

*And what if some government official should come after you and bug you in any way? You have the protection of the law, **not** he. All states have official **misconduct statutes**. Here's the one for Tennessee:*

TENNESSEE CODE §39-3203 ***Official oppression- penalty.*** If any person, by color of his office, willfully and corruptly oppress any person, under pretense of acting in his official capacity, he shall be punished by fine **not** exceeding one thousand dollars (\$1,000), or imprisonment in the county jail **not** exceeding one (1) year.

Now, the important words in this statute are "**willfully and corruptly.**" This means that you **must** first inform the official of **Article I Section 10**, of the fact that bank credits and Federal Reserve paper money are **not** gold and silver coin, and that you know he is bound by oath to support the Constitution. You see, you're helping him **not** to break the law by educating him. If you wanted to be especially helpful, you might send him a copy of this book. (Thank you.) *Now you've given him fair warning.* If he tries to oppress you from this point onward, he is being "**willful and corrupt,**" and all you have to do ~ if the District Attorney plays dead ~ is appear before a Grand Jury yourself, tell those taxpayers what this official did, and get him **indicted!**

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Don't believe the false notion that government officials are permitted to operate corruptly and safely behind "sovereign immunity" laws. There are no sovereigns in America (except you, the people), and no government official is immune from justice if he abuses your rights. ***You can establish a personal fortune upon the ruins of anyone who runs roughshod over your Constitutional guarantees:*** he who would unlawfully jeopardize your property loses property to you, and that's what justice is all about. Here's the law.

42 UNITED STATES CODE §1983
Civil action for deprivation of rights.

Every person who, under color of any statute, ordinance, regulation, custom, or usage, of any State or Territory, subjects, or causes to be subjected, any citizen of the United States ***or other person*** within the jurisdiction thereof to the deprivation of any rights, privileges, or immunities secured by the Constitution and laws, shall be liable to the party injured in an ***action at law, suit in equity, or other proper proceeding for redress.***

Perhaps George Bancroft's

"abstract of the avowed convictions of the great statesmen and jurists who made the Constitution"

will intensity the potency of ***Article I Section 10*** in the minds of otherwise oppressive officials and eliminate any need for legal action. ***Show them Bancroft's words:***

History cannot name a man who has gained enduring honor by causing the issue of paper money. Wherever such paper has been employed, it has in every case thrown upon its authors the burden of exculpation under the plea of pressing necessity.

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Paper money has no hold, and from its very nature can acquire no hold, on the conscience or affections of the people. It impairs all certainty of possession, and taxes none so heavily as the class who earn their scant possession by daily labor. It injures the husbandman by a twofold diminution of the exchangeable value of his harvest. *It is the favorite of those who seek gain without willingness to toil; it is the deadly foe of industry.* No powerful political party ever permanently rested for support on the theory that it is wise and right. No statesman has been thought well of by his kind in a succeeding generation for having been its promoter. ¹⁵

¹⁵ Bancroft, op. Cit. Page 304

I have found that as soon as even the most ornery government enforcement people figure out what the issue is all about (and you have to help them, work with them), *they automatically join your side.* They have to, because the Constitution is on your side. Not to agree with you is to deplore the Constitution, and many people still consider that TREASON.

*"This constitution, and the laws made in pursuance thereof, shall be the **supreme law of the land**; and the judges in every state shall be bound thereby, and any thing in the constitution or laws of any state to the contrary notwithstanding....and all officers both of the United States and of the several States shall be bound by oath to support this constitution. "*

- Article 6, Constitution of the United States

"Whoever, having taken a lawful oath, shall affirm willfully, corruptly and falsely touching a matter material to the point in question, shall be guilty of perjury, and on conviction shall be imprisoned in the penitentiary.... "

- TENNESSEE CODE §39-3301

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1 *"Although important decisions on abortion payments, racial quotas*
2 *and the commercial use of genetic engineering attracted the most*
3 *attention, the Supreme Court's 1979-80 term offered one overriding*
4 *theme: The expanding right of Americans to **sue the government**.*

5 *"While seldom fodder for newspaper headlines, a citizen's power to*
6 *hold government and its agents responsible for lawless actions is as*
7 *essential to a republican form of government as is the power of the*
8 *ballot."*

9 **- Richard Carelli,**
10 **Associated Press,**
11 **Washington, July 6, 1980**

Chapter 10

**The Proper Course For
Government**

The position I recommend for state, county, and municipal officers under Constitutional Oath is this: accept paper money from all persons who tender it voluntarily, but do not attempt to enforce payment from those who raise the Constitutional objection.

This position lets you live with your conscience; it's reasonable, moral, and serves the cause of freedom. Some officials are relatively immune from economic fluctuations; cost of living raises keep them more or less comfortable in the most turbulent times. Besides, it may not be in your best interests to speak out. If you took too original a stand, you might suffer complicated reprisals from higher-ups. No, the key to financial liberation is properly in the hands of the people, the people you serve. Let them guide you.

If the people neglect to object to paper, take their money.

I regret saying it, but folks who labor under the illusion that they are powerless to correct their own misery deserve their misery. Persons who let their right be intimidated by wrong deserve intimidation. Persons who neglect to learn the benefits and privileges guaranteed by the Supreme Law of the Land deserve getting fleeced. Persons who don't know the difference between gold and paper don't know the difference between reality and dreams, so let them pay for living in the ideaspHERE *by giving up their property to the tentacles of inflation.*

Exhibit B
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1 Let them get their *satisfaction from complaining and contributing to toothless*
2 *organizations.*

3
4 On the other hand, persons who *know the law* and *exercise their rights under*
5 *the law* are *lawfully immune* from *enforcement of payment* to *any state* or
6 *local agency* of any amount of tender *declared to be unlawful.*

7
8 Now, some officers might feel the temptation to answer objections to paper
9 tender by denominating paper debts at current gold or silver quotations, so they
10 can remain true to their oath of office. *Here's the scenario:* A taxpayer objects
11 to a \$600 property tax assessment in paper dollars, so the official levies the tax
12 at one ounce of gold (say gold at that moment is \$520 per ounce), plus small
13 silver coins to make up the remainder. *This is patently unfair [it is unjust*
14 *enrichment]:* gold and silver prices on the free market fluctuate very
15 capriciously from hour to hour. You'd be working an *unlawful*¹⁶ *hardship* on
16 the objector, while contributing to the erosion of the economy and your own
17 fortunes as well, no matter how nice a cost-of-living-pay-raise deal you might
18 have. The objector is leading you to high ground in the face of a flood. *Don't*
19 *fight him! Just go by the law.*

20
21 ¹⁶ The tax is *not* assessed in gold and silver but in "*dollars*" *emitted*
22 by the Federal Reserve.

23 *The people ~ and you, too ~ are entitled to a constant and dependable value*
24 *of gold and silver coin, responsibly regulated by Congress, not the free*
25 *market.*¹⁷
26
27
28

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1 ¹⁷ This is not to say Congress should ignore the free market. Rather,
2 its regulations should issue in response to free market prices of gold
3 and silver as commodities, buffering us from the dangers of wild
4 fluctuations. Is this not carrying out the Constitutional mandate to
5 *"promote the general welfare"*?

6 *That's the whole purpose of Article I Sections 8 and 10. The "free market,"*
7 by the way, is not really a free market at all, but a handful of dignitaries who
8 declare gold and silver prices each morning in a stately private boardroom in
9 London. *Whom are these gentlemen more interested in, you or themselves?* If
10 you disapproved of their mischief, how can you vote them out of office? With a
11 Congressionally regulated gold and silver currency, you could specifically un-
12 vote those representatives who tampered with the value of your money.

13 *What all this means is that knowledgeable persons, persons who object to*
14 *paper money under Article I Sections 8 and 10, are immune from all taxes,*
15 *fees, debts of any kind under state authority until paper money is made*
16 *redeemable in gold and silver coin. This is perfectly just. Shouldn't obedience*
17 *to law and truth contain a reward? Isn't it fitting that economic benefits*
18 *should flow abundantly upon those with the knowledge and courage to do the*
19 *right thing by law?*

20 *History's paramount lesson is this: when tragedy gathers on the horizon, the*
21 *knowers act to survive. Only the knowers survive.* The knowers. The Noahs.

22 If you still doubt the authority of the people and Article I Section 10, consider
23 these principles from American Jurisprudence, supported by cases too
24 numerous to cite:
25
26
27
28

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- "If the constitution prescribes one rule and the statute another and a different rule, it is the duty of the courts to declare that the constitution, and not the statute, governs in cases before them for judgment."*

“With a firm Reliance on the Protection of divine Providence, we mutually pledge to each other our Lives, our Fortunes, and our sacred Honor.”

**- A DECLARATION By the
REPRESENTATIVES of the
UNITED STATES OF AMERICA,
in GENERAL CONGRESS Assembled,**

July 4, 1776

Chapter 11

Under Investigation

One evening recently, at their request, I met with two Special Investigators from the **Tennessee Department of Revenue** at a favorite Sewanee hangout, Shenanigan's.

They announced that their purpose for the meeting was to investigate me for possible criminal and civil violations of the *Tennessee Revenue Code*. Years ago, and repeatedly, I had asked the state to inform me what "**Dollar**" meant on the tax forms for my little theatre restaurant, but never got a comprehensible reply. So I looked up Federal statutes for a definition of "**Dollar**." No one had ever paid us in gold or silver, so I assumed we'd had no Dollar income and owed no Dollars.

One of the agents advised me of my right to remain silent and to have an attorney. Then, he asked me my full name. I chose to remain silent on that, and on all other questions that would make their investigation into my finances a piece of cake.

Uniquely in America, we are under no obligation to provide information that can be used against ourselves. Further, the fact that we choose not to give information cannot be used against us, either. Silence can NOT presume guilt. *Yet, how many Americans know this?* Aside from Article I Section 10, the Fifth Amendment is the main reason I intend to remain forever an American

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1 person. It is the most wonderful guarantee of freedom from a malignant
2 government in the whole world.

3
4 I got the distinct feeling that the agents respected my using my Constitutional
5 right against inquisition. They had heard my views on money before, back
6 when they were investigating Rusty Leonard who had asked me along as a
7 witness, and so tonight they started posing questions about money. Not MY
8 **money (I wouldn't answer those questions), but about money in general.**
9 They had been thinking about it, and wanted to know more. All three of us
10 relaxed. *Then I told them about Washington's letters during and after the*
11 *great Continental Inflation.* They hadn't known about that. They hadn't known
12 about Judge Roger Sherman's reasons for *Article I Section 10*, either. I told
13 them about all my unanswered (or evasively answered) correspondence with
14 state people begging them for a definition of "**Dollar**" on state forms. *I told*
15 *them that as soon as an officer of the state showed me where I was wrong, I*
16 *would mend my ways immediately.* I also told them that they, as much as you
17 and I, had the power to save their personal finances from exploding in their
18 faces.
19

20
21 "But if we went to a redeemable currency,"

22
23 one of them said,

24 "what would happen to the balance of payments, interest rates, the
25 IMF, international trade, things like that?"

26 "If we had gold and silver money again,"
27
28

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1 the other said,

2
3 "wouldn't the banks go broke? Wouldn't all government collapse?"

4 *That's the debate trap, I told them. Experts can filibuster day after day, week*
5 *after week, month after month, year after year. "What if" is the most potent*
6 *weapon the Friends of Paper Money have. Debate and indecision merely*
7 *fertilize inflation.*

8
9 The best illustration I could think of was believing in God. If you sit down and
10 try to figure out the consequences of living by God's program, you'll be so busy
11 projecting, calculating, figuring, you'll never get around to committing to Him.
12 The way to believe in God, as any minister or priest will tell you, is assume He
13 is Truth and just begin operating by His system, no questions asked. Like an
14 automatic pilot. If Truth is good, then good things happen to you. If Truth is
15 good, should bad things threaten you you'll know innately how to ward them
16 off.
17

18
19 ***Clinging to Truth.** That's all. The simplest thing in the world. **Clinging to***
20 ***Truth automatically summons good consequences.** The right things just fall*
21 *into line. Debates and indecision evaporate. **You're free just to be happy.** That's*
22 *what God's all about, God and law and Truth. I've never known a person to*
23 *choose God and be dissatisfied with his choice, have you? On the other hand,*
24 *I've known many people who postpone and debate, postpone and debate, trying*
25 *with their masters degree intellects to reason and predict outcomes. For their*
26 *trouble, they seem always plagued with some inexplicable disorder. Some*
27 *malfunction that needs attention. **Their problem is that they try to evaluate in***
28

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1 *each situation which would be the more profitable act:* the truthful or the
2 untruthful. They are the prisoners and the practitioners of situation ethics, and
3 they're so busy with their constant inner debate they haven't the time to relax
4 and enjoy the great beauty of life. For all their bother, about half their decisions
5 poison them anyway.

6
7 The United States Constitution is so harmonious with the simplest
8 unchangeable laws of nature that I wholeheartedly agree with those who
9 consider it to be Divinely inspired. No other constitution of any other country in
10 the world guarantees its people a government sworn to protect and defend
11 individual freedom, freedom to be right, freedom to be wrong, *and most*
12 *importantly the freedom not to be tricked out of their property by some clever*
13 *scheme. A clever scheme like paper currency promising redemption for gold*
14 *and silver one day, then suddenly reneging on the promise after your precious*
15 *metal has been taken away from you.* Whether it's one week or twenty years
16 before you feel the effects of such a dirty trick, you have the freedom to blow
17 the scheme's cover whenever you've had enough.

18
19
20 *And it's guaranteed right there in Article I Section 10*, in those 17 magic
21 words of Roger Sherman. Everybody else in the world is being systematically
22 robbed of their property because they don't have a law against paper money.
23 We have one, but we don't know it. We know batting averages and the
24 biographies of movie stars, but we don't know we have a law against economic
25 tragedy, a law every public official from Main Street to Pennsylvania Avenue is
26 sworn to support.

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1 So, I told my friends from the *Revenue Department*, you don't need to be
2 overly informed on interest rates, international payments, bond issues, gold
3 prices, silver futures, or other consequences; and you certainly don't have to
4 debate the pros and cons of obeying the United States Constitution. *The choice*
5 *is as simple as clinging to Truth or to untruth, God and justice or confusion*
6 *and perjury.*
7

8 Just OBEY that God-inspired United States Constitution, *forget about the rest*
9 *of the world* (is the rest of the world worrying about you?), and good things will
10 happen to everyone beginning immediately. And in ways so vast and
11 unexpected that they would be impossible to calculate in advance even at MIT.
12

13 Of course, some of the closer friends of paper money might have to revise
14 priorities just a little bit, but shouldn't they? *Shouldn't they pay a few dues*
15 *after all they've charged us?*
16

17 The conversation lasted almost two hours, then reached a warm and friendly
18 conclusion. As we were getting up to leave, one of them said, "That part about
19 not having to be overly informed, just believing in God and everything else falls
20 into line, that makes a great deal of sense to me."
21

22 Next evening, several good old boys who had been watching the interview
23 apprehensively from the bar asked me if I'd been scared.
24

25 "How can I be scared,"

26 I said,
27
28

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1 "when all I've done is obey a law those guys are sworn to uphold?"

2
3 "I deny the power of the general government to making paper money,
4 or anything else a legal tender."

5 **- Thomas Jefferson**

6 "The public welfare demands that constitutional cases must be
7 decided according to the terms of our Constitution itself, an not
8 according to judges view of fairness, ' reasonableness, or justice. I
9 have no fear of constitutional amendments properly adopted, but I do
10 fear the rewriting of the Constitution by judges under the guise of
interpretation."

11 **-Justice Hugo Black,**
12 **in Columbia University's**
13 **Charpentier Lectures, 1968**

14
15 "The people can discern right, and will make their way to a
16 knowledge of right... The appeal from the unjust legislation of today
17 must be made quietly, earnestly, perseveringly; in a popular
18 government injustice is neither to be established by force, nor to be
19 resisted by force: in a word, the Union, which was constituted by
consent, must be preserved by love."

20 **- George Bancroft,**
21 **Commemorative Oration Upon the Death of Andrew Jackson,**
22 **Washington DC, June 27, 1845**

Chapter 12

**Putting The Constitution Into Your
Everyday Conversation**

Now that you understand the differences between *paper and lawful money*, and between *law and hearsay*, you're in a position to discuss things with persons in government.

Educate them. Most of them have never had anyone bring up the constitutionality of paper money before. *Don't* harangue them or be rude (as I confess I have done in the past). *Remember*, they've done nothing wrong as long as people are willing to give them paper *without objecting* to its lawlessness. Here are some little things you can do:

Talk it up.

A letter to various state and local officials in your town or county ~ and to your state representatives ~ *asking them if they enforce payment of taxes, fines, and other debts in anything other than gold and silver coin will alert them to the issue.* And while you're at it, send a copy to your state's governor. Send your state's attorney general a letter asking him for an opinion (*he's obliged to respond*):

"Is Article I Section 10 of the U.S. Constitution still binding on this state?"

Get them all reading and talking.

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*The subject is so touchy to many officials that they will probably answer you evasively, cunningly. In person, they may even make remarks and innuendos suggesting that you're nuts, but don't let this bother you. You're right, and they know it, rather "**fear**" it. They're afraid that if you win, the whole universe will cave in on their heads. They have this fear because they've been educated (like you and I) by the Friends of Paper Money to think the problem is "**very delicate**," "**complicated**," and completely out of their hands. **The ideaspHERE** says **the problem is solvable only by the celebrities in Washington**. For many decades, our state and local officials have been conditioned to feel inferior: they're not as famous, not as well-paid, not as internationally glamorous as the Washington dignitaries. ***This creates a helpless attitude.****

It's up to you to show your Main Street public servant ~ that they have incredible power. Show them how the Constitution was written to give THEM ALONE the power to calm America's wild economic thrashing. THEM ALONE. Only THEY can kill financial confusion dead in its tracks by restoring the solid foundation of gold and silver coin. Tell them about Article I Section 10. And take it on your errands.

Mention to cashiers you encounter in a typical day that the tax they're collecting from you is in unlawful money and that you're not kidding. ***They're conspiring with the state to violate the Constitution, tell them good-naturedly. Tell them that*** the reason food and gas prices are soaring is that increasing paper increases prices, and that only the state can stop paper by refusing to make it a tender. ***Tell them that*** they and the state are unconstitutionally making something other than gold and silver coin a tender in payment of debt. ***The Constitution forbids***

Exhibit B
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1 *enforcement of taxes by any state or local official in paper, plastic, copper,*
2 *checks or bank digits.* And you *don't* have any gold or silver, because the
3 Federal Reserve and the U.S Treasury *won't* exchange any for the dollars
4 they've created.

5
6 *Tell them* to ask old-timers if food prices don't remain relatively stable when
7 paper is redeemable for gold and silver coin. *Show them Article I Section 10.*
8 You could offer someone \$1,000 to show you where that's been amended. You
9 could even offer \$10,000 to anyone who can show you a law that permits the
10 state to *circumvent Article I Section 10.* You're 100% safe on both offers, as of
11 1980 (and 2006). *You could offer a million and no one would be able to collect.*
12

13 Discuss it with your priest or minister. The Constitution is the closest thing to
14 Scripture I know of. If it's the codification of the word of God in legal terms, it's
15 certainly worth recommending from the pulpit and in counseling and in Sunday
16 School. Worth studying daily, right along with the Bible.
17

18 **Avoid Congressmen and Senators.**

19 *Don't* bother your Congressman about a redeemable currency. He's probably
20 the greatest Friend of Paper Money in the country today. If you really want to
21 hear some uneasy, extremely cunning word-mincing, talk to your Congressman
22 about restoring a gold and silver monetary system. I *don't* recommend it unless
23 he happens to be willing ~ as a state citizen ~ to impose Article I Section 10
24 upon high officers in state government. If *not*, he has the perfect excuse for
25 copping out.
26
27
28

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1 Because the Constitution empowers Congress "*to borrow money on the credit*
2 *of the United States.*" In borrowing from the Federal Reserve system, your
3 Congressman and Senator are merely carrying out their constitutional mandate.
4 Your representatives in Washington are sweethearts of the Federal Reserve.
5 The Friends of Paper Money contribute gobs to all the candidates and entertain
6 lavishly the winners once in office. *That's why you rarely if ever hear a peep*
7 *of criticism on the American banking system out of Washington.* If anyone is
8 criticized it's you, for "wasting" our natural resources and oil, for buying too
9 many things, for enjoying life, etc.

11 What Congress can do is try to balance the budget, which amounts to little more
12 than scolding imaginary villains in the ideasphere. And while Congress can't
13 object to paper tender, it can enact legislation permitting the reduction of
14 standards of quality in foodstuffs, investments, manufactured goods, and
15 personal freedom ~ legislation requiring you to lower your standard of living in
16 the name of "conservation" ~ for the express purpose of *enabling the value of*
17 *your money to be further diminished.* Since your Washington representatives
18 enjoy a virtual immunity from inflation through cost-of-living raises they vote
19 for themselves, they simply don't feel the chaos and pain in the same way you
20 do.
21

23 No, as famous, as majestic, as well-groomed, as omnipotent, as black-limousine
24 dignified as Congress might seem in our minds, *it is absolutely helpless to*
25 *initiate the action that will turn away the gathering tragedy.*

26
27 Don't waste your time with Washington on this.
28

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Avoid voting.

We Americans treasure our most prized possession: our vote. There's something slightly unpatriotic about someone who doesn't use his vote to determine the course of his republic. The media are filled with urgings to vote.

But what good is your vote if everyone up for election is ignoring the law? Won't more voters just hasten the chaos and confusion? If you were ignoring the law and were elected by a landslide, would you sense any inducement to stop ignoring the law?

When officials abide by the United States Constitution, the vote is our way of selecting the best persons and the best government. ***But if our officials are breaking the Constitution, or allowing it to be broken without lifting a finger, your vote is literally their license to steal. You are giving them permission to take your property and control your life. If you give them that permission, many will take you up on it, because lots of folks enjoy controlling others and amassing property. If you vote for anyone that allows Article I Section 10 to be ignored, don't you deserve to be ravaged by inflation?***

The vote is only a small part of your influence over public servants, and it only works when the Constitution's money system is in operation. ***You might as well stay home on election day as long as the Constitution's money system is in mothballs, because you'll only be voting for violators or accomplices. (Don't remove your name from the Registration Lists, though. You'd be giving up your right to serve on a jury, which is a thousand times more important than voting. On a jury, you become a judicial officer, with as much power as a judge!)***

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Lawyers.

My personal experience is that many lawyers are ignorant of the Constitution as law. They see the Constitution as the point of departure for Supreme Court "interpretations." To hear many lawyers tell it, the Constitution only means what the Supreme Court says it means. *This is pathetically untrue*. This is living in the legal ideasphere. *It's Supreme Court Worship*. Abraham Lincoln complained about Supreme Court Worship in his First Inaugural Address:

If the policy of the government upon vital questions affecting the whole people is to be fixed by decisions of the Supreme Court, *then the people will have ceased to be their own rulers*.

The Supreme Court can't make laws. The Constitution rules the Supreme Court, not the other way around. The Supreme Court is simply a final court of appeal that decides specific cases brought to it. *It often refuses to hear cases*. Too, it often refuses to judge cases. Imagine having waited years for a Supreme Court decision and then getting a statement like this made by Justice Brandeis in *Ashwander versus Tennessee Valley Authority*, 297 US 288:

A judge, conscious of the fallibility of human judgment, will shrink from exercising in any case where he can conscientiously and with due regard to duty and official oath decline the responsibility.

Lawyers who depend too heavily on case law instead of the Constitution ought to be reminded that *judges are sworn to support the Constitution, not case law*.

I now feel apologetic for having criticized lawyers. After all, my father was one. I've got friends in the profession. *Let me call on a lawyer, then, to criticize lawyers*. T. David Horton, a member of the Nevada, the Virginia, and the

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District of Columbia bars, and a member of the United States 9th Circuit Court of Appeals, said:

The Course that lawyers take called 'Constitutional Law' frankly doesn't consist of studying the Constitution. It involves memorizing the catechism studying the sophistries ~ by which one provision after another of our Constitution is construed out of existence. This is one reason why in our present constitutional crisis we find lawyers among those who are derelict, failing to advance any remedy to correct the situation.¹⁸

Mr. Horton then revealed the astonishing reason why lawyers are lacking in fundamentals of the United States Constitution. In the words of one young lawyer:

"There are no questions on the bar examination on the Constitution, so why should we bother with it?"¹⁹

¹⁹ A.E. Roberts, *The Republic: Decline and Future Promise*, Ft. Collins, CO: Betsy Ross Press, page 69.

I'm afraid the first step in the restoration of America to happiness and economic prosperity will not, can not occur in the voting booths, the Supreme Court; among the lawyers, or at the federal level. *For our Constitution reserves the greatest amount of power not to dignitaries but to housewives and shop owners, workers, the people. Just plain folks.* The miracle will happen right in your town, right there on Main Street, and you and a couple of friends will pull it off. As Charles Riely said,

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"It will not be the lawyers, politicians or bureaucrats who save America. ***It will be the people*** who work with their hands. Housewives, truckers, carpenters, and farmers will turn this country around."

And because my wife and I both have been in the profession, I would like to add schoolteachers.

"Teenagers are more frequent crime victims that adults are now or were during their youthful years. Two of every five high school students are victims of violent crimes including robbery, assault, and murder."

**-U.S. CENSUS BUREAU,
reported by John F. Sims in
Moneysworth, October 1978**

"He who walks with wise men become wise."

- Proverbs 13:20

*"You see, the more we are conditioned by education and just living in a society which teaches us to think along certain lines, **the easier we are to fool**. The magician encourages us to follow one logical path ~ the one we are accustomed to follow in a normal situation ~ while he, unknown to us, takes an entirely different one to accomplish his illusion. **Thus, the hardest people to fool are children, who take little for granted. The easiest are scientists.**"*

**~ Charles Reynolds,
Magician's Consultant,
Parade Magazine,
August 24, 1980**

"While young people are gathering flowers and nose gays, let them beware of the snake in the grass."

**- Roger Sherman,
Almanac, 1750, New York**

Chapter 13

A Lesson They'll Never Forget

Many of the ugly, ridiculous fixtures in public education parents and teachers feel so helpless to repair came about through the printing of paper money. ***Remember, it is paper money that makes possible dumb educational projects.*** Constitutional money would stop the deterioration of our school systems in a snap.

In Tennessee and probably in your state, too, all public schoolteachers are required to take an oath to support the Constitution of the state and of the United States. In Tennessee, those teachers

"who refuse to take the oath ... shall be immediately dismissed from the service." (TCA §49- 13).

I assume that the punishment for perjuring that oath would be as harsh as for refusing to take it, wouldn't you? Maybe even harsher. Both instances would certainly show a disregard for the Supreme Law of the Land, to the thinking of any reasonable person.

So if you're a Tennessee school teacher you're a duly sworn Constitutional officer! ***You are prohibited from making any thing but gold and silver coin a tender in payment of debts.*** If you choose to take a paycheck of ever-depreciating paper when the law entitles you ~ urges you ~ to take gold and silver coin, what kind of model are you for young sensibilities?

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1 Would you want your child to come under the daily influence of a person who
2 couldn't tell the difference between a gold coin and a paper rectangle?

3
4 Even if you're not a sworn Constitutional officer of your state, you can have
5 enormous effect. Rather than engage in abrasive strikes for higher pay, for
6 example, you can simply hold out for lawful pay. (*All people who receive*
7 *paper money from cities, counties, or states could do this.*) That way, you'll
8 eliminate the need ever to have to strike again, because you'll be getting both
9 higher and lawful pay. Pay that will hold its value year after year. Your pension
10 will be worth something when you retire.

11
12 All that paperwork that's driving you nuts: it would stop expanding overnight
13 with the restoration of gold and silver coin, soon slowing to a trickle with all
14 other dumb projects. And you'll be free to settle down to what attracted you to
15 school teaching in the first place: *helping youngsters learn. Isn't that the true*
16 *joy of teaching?*

17
18 You could teach **THE LESSON OF THE TUMBLE-BUGS**, the untold story
19 of one of the world's earliest currency manipulations:

20
21 These are scarabs, little stones carved in the shape of beetles.

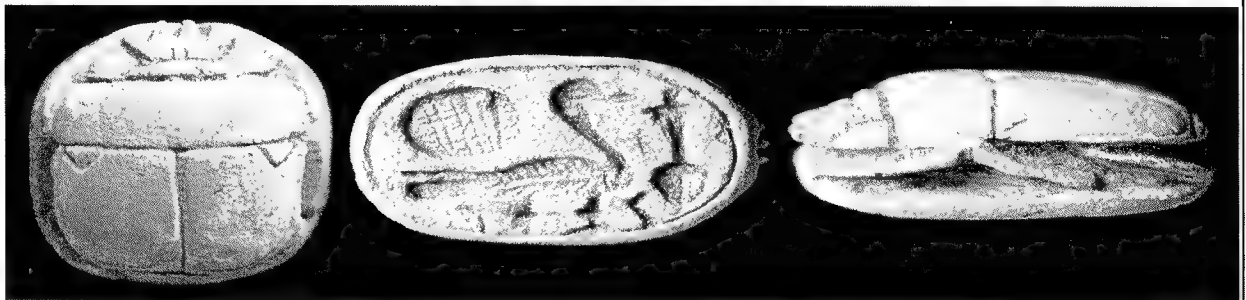


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The carvings were introduced into Egypt in 2200 BC, after a great natural catastrophe destroyed much of the land. *The Hyksos ("Shepherd Kings") brought the idea from Mesopotamia, the birthplace of central banking, writing, military conscription, world war, and jury-less trials.* It took less than five minutes for a carver to make a scarab; its the equivalent in gold took many hours to mine and refine. The live beetle ~ we call them *Tumble-bugs* in Tennessee ~ rolls amorphous animal waste into perfect spheres, like reconstructing a destroyed planet into a brand new one. Tumble-bugs bury the spheres in the ground, enriching the soil. Because of their good work, and because their stone likenesses bore uplifting mottoes and names of officials (*like all artificial "bank" money*), the native Egyptians trusted in them. They freely, enthusiastically, traded their gold and silver for them.

Gradually, the Hyksos officials pulled the gold and silver out for themselves, leaving an ever-increasing supply of scarabs to circulate. Dream money. The scarabs became worth whatever the Hyksos said they were worth. *Since officials determined the value of human labor, they could direct human beings to dumb projects, like the pyramids!* The pyramids (there are about 36 major ones in Egypt) may be beautiful and very scientific, but they really are quite dumb.²⁰

²⁰ "Most Egyptologists conclude that the Pyramid was built as a tomb for some pharaoh. No other reason is offered for piling up so massive a mound of masonry than to protect the dead Pharaoh from grave robbers. Oddly, this is the single function which neither the Great Pyramid, nor any of the others, managed to fulfill, there being no reliable report of any body having been found in any of the pyramids."

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(Peter Tompkins, *Secrets of the Great Pyramid*, New York: Harper Colophon Books, page 236).

With a country's manpower building pyramids ~ or fighting a war or making costly things that get lost in outer space like today ~ agriculture operates at a bare minimum. ***This means scarce food.*** Scarce food means food **must** be controlled by a **central bureau**. The Hyksos used the Egyptians' own gold to buy grain from other nations; to eat, the Egyptians had to go, scarabs in hand, to the central storehouses and hope the officials were in a good mood.

So you see, controlling populations by lifting their money into the ideasphere is old, old, old. ***The same rules apply today. They apply for all time.*** There will always be attempts to **hook people** on artificial money.

Of all the lessons alert teachers could give on money, the most exciting one would be the **LESSON OF LIVING BY THE CONSTITUTION**. It would be an object lesson.

In Tennessee and in many other states it is a **teacher's duty** ~ **required by law**,

"to teach the Constitution of the United States and of the state... for the purpose of instructing all the children as to their privileges and duties under said constitutions and for the promotion of good citizenship." (TCA §49-1307)

What a wonderful opportunity for your pupils to witness history in the making! You, their teacher, exercising your Constitutional Oath, demonstrating every American's economic rights, privileges, and duties in demanding that your

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paycheck be redeemable in gold and silver coin (**Article I Section 10**) at a value regulated by Congress (**Article I Section 8**)!

Your pupils would be seeing the power of the people flexing right there in the classroom and being felt and responded to under the Capitol Rotunda in Washington. ***Much of the material sent you from Washington is subtly designed to belittle you and your students, which is one of the reasons young people are so edgy and volatile.*** But the Supreme Law of the Land specifically provides that if anyone is to belittle anyone, it's to be the other way around. You belittle Washington! As you steadfastly abide by your Constitutional Oath, your pupils will be experiencing firsthand how their teacher, a state officer armed with Roger Sherman's 17 words, can require Congress to take steps to restore a lawful economy to this country. It will be one lesson they'll never forget.

"Wisdom gives strength to the wise man more than ten rulers that are in a city."

-Ecclesiastes 7:19

"In America a new people had risen up without king, or princes, or nobles, knowing nothing of tithes and little of land-lords, the plough being for the most part in the hands of free holders of the soil. They were more sincerely religious, better educated, of serener minds, and of purer morals than the men of any former republic. By calm meditation and friendly councils they had prepared a constitution which, in the union of freedom with strength and order excelled every one known before; and which secured itself against violence and revolution by providing a peaceful method for every needed reform. In the happy morning of their existence as one of the powers of the world, they had chosen justice for their guide."

**- George Bancroft,
History of the United States of America, 1886**

Chapter 14

The Miracle On Main Street

The Miracle began happening early in 1981. One afternoon in February, "Kate," a Baltimore housewife married to a lawyer, called me at home to narrate her story. She was almost breathless with jubilation.

"I stayed up all last night reading your book. This morning my daughter and I drove to K-Mart and bought \$82.00 worth of merchandise. I told the cashier that this would be an *Article I Section 10 no-tax sale*.²¹ She'd never heard of one of those, so she asked the manager."

²¹ In Tennessee, the code provides:

"The tax hereby imposed shall be collected by the retailers from the consumer insofar as it can be done." TCA §67-3020 (d).

The phrase *insofar as it can be done* means

"if the state cannot compel payment in paper or copper money, and if there is no way of redeeming paper and copper dollar for dollar in gold and silver coin, tax collection by retailers cannot be done from one who does not volunteer to pay."

Many Miracle-Workers simply ask for the *tax-exempt sheet kept under the counter by retail cashiers*, enter their names and the characters "AISECIOUSC" in place of a number. *This exempts the individual from the sales tax while reducing friction and argument.*

Kate explained to the manager that his company is a corporation, a creature of the state, therefore bound by any constitutional prohibitions against a state. Since no state could make any thing but gold and silver coin a tender in

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1 payment of debts, *K-Mart was powerless to make anyone pay a state tax in*
2 *something other than gold and silver coin.* It being impossible to buy such
3 coin in face amount equal to the sales tax, she chose not to voluntarily pay the
4 tax in base-metal coin or paper. If there was no gold and silver coin to pay with,
5 *it was the state's fault* for *evading its requirement* to "crush paper money."
6

7 Perplexed, the manager called the *Maryland Department of Revenue*, and they
8 told him~ what else? ~ to collect the tax.
9

10 "I stood my ground and said that I was buying the goods, but not
11 paying the tax,"

12 Kate told me.

13 "I counted out \$82.00 and gave them to the cashier, sacked the
14 merchandise, and headed for the front door. 'This stuff Is paid for,' I
15 told the manager. 'If you don't like it, do what you have to do.'"

16 Reveling in the Constitution's economic power, Kate and her daughter drove
17 away in their yellow Corvette.
18

19 "But about six blocks later,"

20
21 she said,

22 "we were overtaken by several police cars. They made us get out, and
23 were really rude to us. They insulted us, called us shoplifters and
24 such, and escorted us down to the police station. I was really mad! At
25 the station, the city attorney was there, and several other officers, and
26 the man from the Department of Revenue."

27 "I held page 31 of your book right up to their faces,"
28

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1 she continued,

2 "and cried '***Can't you see you're prohibited from taxing anybody in***
3 ***anything but gold and silver?***' But these men actually turned their
4 heads and threw their hands up to their eyes ~ they were very nervous
5 ~ and they shouted,

6 'Don't show us that! We don't want to see that!'

7 "Mr. Saussy, it was like waving a silver cross in a den of vampires!"

8
9 Kate exclaimed.

10 "Before too long, the city attorney got up and said, 'Well, I'm leaving,'
11 and shortly afterward, the tax man left, and pretty soon the booking
12 officer closed the statute book he'd been thumbing through. 'Lady,' he
13 said, 'I can't find that you've broken any law, so I guess we'll have to
14 release you.'

15 "And so we left. I'm going to talk to my husband about suing them for
16 false arrest, but whether we sue them or not, I just wanted you to
17 know that this is about the most exciting thing that's ever happened to
18 me *in my life!*"

19 **And that was just the beginning.**

20 Assertions of economic rights increased with such fervor that on July 4, 1981, I
21 established a monthly publication to report how people were working miracles
22 on Main Streets all over the land. THE MAIN STREET JOURNAL reported
23 the story ²² of a *Kansas municipal judge* who was so impressed with the
24 constitutional solution to our economic problems that he began reading "money
25 rights" to anyone facing a fine in his courtroom.

26
27 ²² THE MAIN STREET JOURNAL, Vol. I No.3, October 1981

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Judge Larry Moritz's "money rights" warning was praised by all lovers of the Constitution:

It is clear by Article I Section 10 of the United States Constitution and by Title 31, section §371 of the United States Code that this court can only make gold and silver coin a tender in payment of debts. However, this court will accept other forms of money, such as Federal Reserve notes or personal checks if tendered.

Another MSJ story ²³ contains the transcript of Ron Haddad's trial in Justice of the Peace court in *Pima County, Arizona*.

²³ *Ibid.*, Vol. II, No. 4, November 1982.

Haddad had been charged with driving with expired license plates. His defense was that he was driving with precisely the license plates the state required him to have, since: (a) the state had no authority to compel him to pay for the plates in paper money, and (b) he couldn't purchase the plates because he could not redeem Federal Reserve notes in their face-value equivalent in gold and silver coin.

Judge Thomas Rallis understood Haddad's position, but reached a Constitutional compromise:

The Court finds you guilty because you still don't have a registration but I will not impose a fine. Because I don't want you to pay the Court in gold or silver if you do not have it.

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1 *Many Miracle-Workers have written letters to their state attorney-general*
2 *asking if Article I Section 10 is still binding on the state.* Many attorneys-
3 general suggest that the petitioner consult with a private attorney.
4

5 One western-state Miracle-Worker sought the advice of a private attorney. A
6 private attorney who also happens to be his county's official prosecuting
7 attorney ~ and has been for 24 years! *On October 3, 1983, County Attorney for*
8 *Chase County, Nebraska, Guy Curtis wrote:*
9

10 My opinion to your inquiry regarding the payment of your tax debt ...
11 is applicable to any state ...Article I, Section 10 requires the state ... to
12 denominate your tax debt in gold or silver coin.

13 Unless and until the state authority denominates your tax debt in gold
14 or silver coin, *you are legally immune* from such tax, since any
15 assessment *repugnant* to Article 1, Section 10 is absolutely *void* ...

16 The stereotyped response by the state attorney general is to cite the
17 federal legal tender law and peremptorally claim that it *overrides* the
18 state's obligation under Art. 1, Sec. 10. *That this "supremacy"*
19 *argument is spurious is proved by the fact that the mandate of*
20 *Article 1, Section 10 comes from the U.S. Constitution itself and is*
21 *the supreme law of the land.* The feds can insure their fiat paper
22 money decree for payment of debts between *individuals* and for
23 payment of federal taxes and debts, but *not* between states and their
24 *citizens*.²⁴

25 ²⁴ *Ibid.*, Vol. III, No.3, October, 1983

26 Pure economic justice is marvelously working its course: just as the Friends of
27 Paper Money withdrew gold and silver from circulation, the people on Main
28 Street are withdrawing from their obligations to pay debts in a form of money
prohibited by law.²⁵

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1 ²⁵ An exciting, "hands-on" demonstration of the absurdity of our
2 current monetary system is the "***Public Office Money Certificate***,"
3 which is a note tendered to public offices redeemable in whatever
4 your attorney-general determines is "the money of account of the
5 United States" (in which "all accounts in the public offices must be
6 kept and had... by law.") See Appendix I for an update on
7 POMCmanship.

8 But that's just half of it. They're also demanding that states *deliver* the dollars
9 specified on their bank drafts! A Missouri dentist received checks totaling
10 \$682.00 as compensation for dental services he performed for the state of
11 Missouri's department of family services. *He demanded payment in silver coin,
12 and was refused. He forthwith sued for a declaratory judgment against the
13 state, and the court denied the state's motion to dismiss.* Ordered by the court
14 to explain why it couldn't pay out silver, the state's flimsy excuse was (in a
15 nutshell) "We don't have any-"

16 Literally thousands of awakened Americans are bringing to a grand and happy
17 crisis this foolish economy we live in. *How will it resolve? With an almost*
18 *laughable simplicity*. If you think that restoring silver or gold to our monetary
19 system will require a difficult and tortuous journey through the corridors of
20 Congress, read the United States Attorney General's opinion, attached to 31
21 USC 311 in the federal statutes:

22
23 **Unlimited coinage of silver.** The President has authority to proclaim
24 and put into effect a plan for the unlimited coinage... of domestic
25 silver produced after the effective date of the proclamation. -1933, 37
26 **Op. Atty. Gen. 344, at 31 USC 311.**
27
28

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1 *And so, appropriate state authorities will inform the President that their state*
2 *is having trouble with its commercial and public revenues because the people*
3 *are standing on the Constitutional prohibition against irredeemable paper.*
4

5 With the utterance of a few words and the flourish of a pen, our money will be
6 locked into a permanent value. *Inflation will literally be scribbled away with*
7 *the signing of a man's name.* I suspect, in fact, that the Proclamation is already
8 written and that new redeemable paper notes have already been prepared and
9 are simply waiting for you to call them out.
10

11 You must understand, though, that it is not your responsibility to petition the
12 President for redeem-ability. *It is your state's.* You've got better things to do
13 with your time and energy. The state is your servant, remember. Let your
14 servant do the work.
15

16 Redeem-ability will be restored in the way redeem-ability has always been
17 restored. It's a very routine operation, and the Friends of Paper Money know it
18 by heart. They've been doing it for centuries.
19

20 The new paper will be United States Treasury money, and it will be redeemable
21 dollar for dollar in gold and silver coin. Irredeemable *Federal Reserve paper*
22 *may still be used, worth a fraction of its value today, but I imagine most of it*
23 *will simply be traded in and burned.* There will probably be new Federal
24 Reserve paper, too, if the Fed people can escape the restoration with their
25 reputations intact. *It will promise redemption just like the United States*
26 *Treasury money.* It will be a very smooth transition with no hard feelings if it
27 happens before the tragedy.
28

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1 If the Miracle were to happen as I write this, one United States Note would be
2 worth one dollar of silver or 13 Federal Reserve paper dollars. The new pricing
3 would be denominated in both new United States Notes and old Federal
4 Reserve paper. *Since paper and silver and gold would be exchangeable again,*
5 *there would be no need to hoard precious metals, and we'd once again be able*
6 *to experience that delicious sound of silver coins ringing on countertops. Our*
7 *beautiful real money would creep out of hiding.*

9 A gallon of gas would cost \$1.30 Federal Reserve paper or one silver dime.
10 Imagine gasoline at 10 cents a gallon! A can of tuna fish, about a dime, too. A
11 great suit of clothes \$20 United States notes, or \$260.00 Federal Reserve paper.
12

13 Stable prices, year after year. The American Dream would be over before it
14 lapsed into madness. *The monetary system that allows dreamers to snap their*
15 *fingers and have funds for whatever they can scheme up without any concern*
16 *for whether there is demand or need for it would be gone.* The monetary
17 system that creates Viet Nams and subsidizes drug addiction and all its crime
18 and family-shattering and heartbreak would be gone. The monetary system that
19 delivers control of your property to officials who use that control to foment
20 idlers against you, the monetary system that drives truckers and pricing boys
21 and small businessmen and elderly pensioners and struggling young couples
22 crazy, the monetary system that makes rich men out of debtors and poor men
23 out of savers, that rewards incompetence and unexplained projects, that makes
24 perversity the fashion, that celebrates the flames of violence, that favors untruth
25 over truth, *this system would be gone.* The Friends of Paper Money would be
26 free to invest solid money in worthwhile projects people really want.
27
28

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1 And, miraculously, no one would be hurt. Value would return. There would not
2 only be jobs galore, but jobs doing things for which there is real demand.
3 Genuine pride of workmanship would be naturally restored. A person's value
4 would again be determined by his good deeds, not by his inside connections or
5 his knack for finagling and covering up.
6

7 Because a sense of the value of one's property would be restored, a sense of
8 privacy, too, would return. With a healthy sense of privacy comes a natural
9 revulsion for pornography, which is but a low regard for both privacy and
10 property. An esteem for one's own property and privacy naturally turns one's
11 attentions away from celebrities in whose lives we are invited to live
12 vicariously. Who needs to live in a celebrity's life or in a soap opera's plot when
13 one's own life has value, esteem, interest, and excitement?
14

15 Gold and silver coin, being rare, precious, and easily accounted-for,
16 automatically guarantees wise and prudent government spending. Violators are
17 easily detected, dishonored and removed from office. (Because it is impossible
18 to account for artificial money, corruption, flourishes in a paper economy.)
19

20 With gold and silver money, the United States budget would be self-balancing.
21 The people would express needs to one another and fulfill them among
22 themselves, without government assistance. Costly projects no one wants (no
23 one, that is, except their lobbyists) would shrivel and blow away for lack of
24 demand.
25
26
27
28

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1 Hands once considered untalented would begin turning out marvelous products.
2 The joyous return of ... quality! Our children would grow up knowing they
3 have genuine value. Because we rejected money that said
4

5 "I don't know what I'm worth,"
6
7 we would stop hearing our teenagers say

8 "I don't know what I want to do."
9

10 The "use me" aimlessness of adolescence would vanish and leave solid purpose.
11 Cheating would become deplorable again, instead of quasi-honorable, as it is in
12 many circles. The love between boy and girl would cease to be a make-out
13 project and would become instead a sensitive comparison of real values.
14 Marriages would be built not on dreams but on facts and abilities. Conversation
15 would make sense. Life would become too thrilling for dope.
16

17 *There would no longer be a need to seek escape, since being here would be so*
18 *real and delightful and rewarding.*
19

20 Our lives would be so *worth living* that suicide would be reduced as an option
21 among the cures of our ills. *Suicide and paper money march side by side*
22 *throughout history. Since the most important plank of the Communist*
23 *Manifesto is control of a country's wealth through issuance of paper money*
24 *from a central bank, our restoration of Constitutional money will eliminate*
25 *communism and socialism as menaces to our freedom.* They won't even make
26 interesting topics in news, in classrooms, or debate.
27
28

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Perhaps the greatest relief would be felt by those public servants who today suffer from the nagging awareness that they are living a lie; at last, they'd be free of the terrible pressures of covering up their sins against the Constitution, the Supreme Law of the Land they have pledged their honor to support.

Yes, everyone will benefit from the Miracle: bureaucrats, rich, poor ~ even the Friends of Paper Money. We know this because gold and silver money invariably benefits all resourceful people.

The Constitution is our positive proof!

"God did not make death, and he does not delight in the death of the living; the generative forces of the world are wholesome and there is no destructive poison in them."

-The Wisdom of Solomon, 1:13,14

Chapter 15

**Understanding Government
For What It Really Is.**

Contrary to what TV, magazines, radio, and newspapers say, government is meant to occupy a very small part of our experience. (We must always remember that the media are usually beholden to government, or think they are.)

Man's had government about 5,600 years, but in those 5,600 years government has done considerable damage. It has done lots toward pruning our species.

A Norwegian statistician computes that in these 56 centuries man has fought 14,531 wars. That's 2.6 wars per year. More than 600,000,000 men, women, and children have been killed by government. (I dread to compute how many people our own government has exterminated.)

In more than 880 generations, there have been no more than 10 meager years of true peace. Think about that.

There is an old legal maxim "*No man shall be without law.*" Government arises out of man's need for law. If man cannot govern himself, officials rush in to do it for him. There is always that constant pressure to have law, natural or otherwise. One of the great life-serving purposes of government, I believe, is to test man's need for law. If man needs law, if he fails to show that he can take care of himself and his own, government overcomes him. This is consistent

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1 with the way things work in nature. If a rabbit shows that he cares so little for
2 life that he relaxes his vigilance, the eagle moves upon him.

3
4 Since governments live by virtue of helpless people, governments invest in
5 keeping people helpless. The best way to keep people helpless is to *tell them*
6 *constantly how helpless they are*. Show them much crime, much menace, much
7 mental derangement, much accidental death, much violence. Frighten them.
8 Demonstrate to them how the only resolution to their dilemma is government.
9 Send them to lawyers and accountants sympathetic or beholden to government.
10 Circulate the proverb "*You can't beat city hall.*" *Oppress them*, expropriate
11 them, and then ...

12
13 *And then, what? Where does it lead?* Once government has finally oppressed
14 and expropriated every last **soul on** this planet, a strange phenomenon will
15 happen. *Oppression is not natural*. Animals in cages live only a fraction as
16 long as they live in the wild. Pretty soon, that world government will be faced
17 with the ugly problem of death as a way of life. The leaders of government will
18 have made a menagerie of dead animals. Everywhere they look, nothing but
19 death and near-death. *The architects of tyranny will* grow miserable with their
20 handiwork.

21
22 And that proposition reveals a solid gold secret. For, you see, government, that
23 bloody beast of 600,000,000 corpses, loves strong people able to govern
24 themselves. Although spokesmen will never tell you so, *government loves free*
25 *people able to resist government*. This is why so many of our laws have little
26 loopholes in them that excuse free people, people with so healthy and
27
28

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overpowering a determination to be naturally independent of government that they automatically spot legal clauses that strike discord with the higher, simpler law of God. Government admires, celebrates the fitness of people who are able to govern themselves, just like Hemingway admired, loved the Great Fish for escaping in the final moment of that brutal struggle in *Islands in the Stream*. But it is government's duty to challenge the individual, to test his mettle, to determine for certain the depth of his convictions and abilities.

This is natural selection.

Government chains, cages, or consumes the ones who surrender under its fearful threats and examples, but is most fond of the few that legitimately get away. These are the memorable ones.

Government propaganda likes to refer to any motion contrary to the prevailing drift as "rebellion" or "revolution" or "strike." Fearful words, words that make you tremble. *Who wants to get involved in a rebellion?* Leave that kind of monkey business to the rabble-rousers. This little book doesn't advocate any kind of insurrection whatsoever. As I told you earlier, you can make a lifesaving miracle happen *simply by declining to break a law*. If that's rebellion, then things really ARE topsy-turvy.

Here, in summary form, is what you have read:

1. Irredeemable paper currency is the only cause of your family's growing financial distress.

2. There is absolutely no cure for irredeemable paper currency except to make it redeemable in gold and silver coin.

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1 **3. You have an undebatable,** specific, ironclad Constitutional right to enjoy a
2 money of gold and silver coined and regulated in value by your representatives
3 and senators in Congress.

4
5 **4. Absolutely no one** has the power to require Congress to provide us this solid
6 money system immediately except your state and local government officials.
7 Only they ~ not congressmen~ are prohibited from making paper instruments a
8 tender in the payment of debts.

9
10 **5. Your state and local government** officials will not act until you tell them
11 to. Most of them are completely unaware of their power over the United States
12 Congress and the Federal Reserve Board. Remember, they suffer from
13 propaganda fallout, too.

14
15 **6. The Declaration of Rights** of most state Constitutions guarantees you the
16 indefeasible and unalienable right to see that your local and state officers obey
17 their Constitutional Oath. *Certainly the U.S. Constitution does. Would this*
18 *right not include withholding payment of any state, local or corporate debts in*
19 *a tender that is Constitutionally prohibited? Would this right not include*
20 *demanding that state and local government and corporate paychecks be*
21 *denominated in dollars of gold and silver?*

22
23 **7. The law requires all public** offices and courts to keep and have their
24 accounts and proceedings in dollars of the money of account of the United
25 States. Federal Reserve paper money has never been declared to be the money
26 of account of the United States; it functions as such only because we allow the
27 law to be ignored by our officials. No court or administrative official has any
28

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lawful authority whatsoever to require you to pay in a substance other than the money of account of the United States.

8. Once redeem-ability is restored, you and your family will immediately enjoy a "*sense of prosperity and tranquillity that could hardly have been hoped for.*" You have George Washington's word on it.

9. Redeem-ability will cause no sudden panics or painful reversals of fortune for anybody, not even the Friends of Paper Money. As I write this, Federal Reserve paper dollars are already unofficially redeemable (at coin shops) at about \$13 to \$16 per silver dollar, gold a little higher. With official redeem-ability, paper dollars would merely remain at this price, and would circulate alongside United States Notes, which would be redeemable dollar for dollar in silver and gold. Gradually, the Federal Reserve paper dollars would be phased out of existence.

10. You need to ask yourself seriously: If you neglect to take advantage of your lawful, God-insured economic rights are you not neglecting God, and would you not deserve economic catastrophe?

"A new public opinion must be created privately and unobtrusively. The existing one is maintained by the press, by propaganda, by organization, and by financial influences which are at its disposal. The unnatural way of spreading ideas must be opposed by the natural one, which goes from man to man and relies solely on the truth of the thoughts and the hearer's receptiveness for new truth."

- Albert Schweitzer

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- George Bancroft,
History of the United States of America, 1886.

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Epilogue:
The Illusion Of Status Quo.

When you finish reading a book recommending action, you ponder alternatives and say to yourself,

"I can either do what the book says or maintain the status quo."

Now, I personally like the status quo. I believe that pure status quo "*situation as is*" is the regime that produces the longest, happiest lives. Long live status quo! *EXCEPT...*

Except that under paper money status quo is just an illusion. For under paper, radical social change is going on with each crank of the printing press, social change over which you have no control. Social change that costs you energy, having to work harder to make ends meet. Social change that makes you tense, wondering if you'll be next to lose your job. Social change that costs you happiness, complaining about how angry the latest moral dip or dumb project has made you. Social change that costs you health and tranquillity, as a loved one slips out of control into booze or drugs or psychosis or crime or war or early death.

Embracing the status quo in a society with a fluctuating, crisis-plagued paper economy is like dancing on quicksand. Less than two years before the day of his funeral, President John Kennedy signed into law under the pressure of the "*Cuban Missile Crisis*" a series of emergency measures. These measures

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stand today as Executive Orders, waiting to be invoked by whichever President decides (or whose advisors decide) we are in perilous times. *The surest cause of perilous times through the past 56 centuries has been inflation*. If you choose to maintain the status quo in an ever-rising tide of Federal Reserve paper, you are helping to create the right moment for these Executive Orders to be called into being. *Signed on February 16 and February 27, 1962*, these documents give the President complete dictatorial control over your life. He will exercise this control through a bureaucracy of unelected dignitaries and officials in the Office of Emergency Planning. If **they hurt you, you cannot vote them out of power**. You have no recourse. You have no choice but to *submit to their wisdom and judgment*.

The bureau's control over your life becomes effective, according to the language of the Executive Orders, "in any time of increased international tension or *economic or financial crisis*."

Try to imagine yourself and your family trying to live under these Executive Orders:

1. EXECUTIVE ORDER 10995 takes over all communications media.

2. EXECUTIVE ORDER 10997 takes over all electric power, petroleum gas, fuel, and minerals.

3. EXECUTIVE ORDER 10998 takes over all food resources and farms.

4. EXECUTIVE ORDER 10999 takes over all means of transportation, controls highways and seaports.

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1 **5. EXECUTIVE ORDER 11000** drafts all citizens into work forces
2 under governmental supervision.

3 **6. EXECUTIVE ORDER 11001** takes over all health, welfare and
4 educational functions.

5 **7. EXECUTIVE ORDER 11002** empowers the Postmaster to
6 register all citizens nationwide.

7 **8. EXECUTIVE ORDER 11003** takes over all airports and aircraft.

8 **9. EXECUTIVE ORDER 11004** takes over housing and finance
9 authorities, designates areas to be abandoned as "unsafe," establishes
10 new locations for populations, relocates communities, builds new
11 housing with public funds.

12 **10. EXECUTIVE ORDER 11005** takes over all railroads, inland and
13 public storage facilities.

14 **11. EXECUTIVE ORDER 11051** designates responsibilities of the
15 Office of Emergency Planning, gives authorization to put the above
16 orders into effect in times of increased international tension or
17 economic or financial crises.

18 Under Richard Nixon, these Orders were combined into the single **Executive**
19 **Order 11490**, which was polished up with a few minor amendments signed by
20 *Jimmy Carter on July 20, 1979*. And all it takes to push the button on this
21 bone-crushing machinery is for the President to declare an "economic or
22 financial crisis."²⁶

23 ²⁶ [http: / www.disastercenter.com/laworder /laworder.htm](http://www.disastercenter.com/laworder/laworder.htm) contains an
24 updated listing of executive orders through June 2006.

25 **Is there a chance the Miracle on Main Street could be the crisis that pushes**
26 **the button? Of course not. The Miracle is a lawful act, or in Judge Sherman's**
27
28

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words at the Convention in Philadelphia in 1787 "a crisis." It is a self-correcting, liberating crisis. As you turn paper into gold and silver, the rising line on the graph suddenly turns down to earth. You cause the prompt and orderly restoration of enterprise, credit, tranquillity and

"prosperity that could hardly have been hoped for."

The Miracle is the disappearance of the grounds for invoking the dictatorship of those Executive Orders. The Miracle is a good crisis, like finding God. Feelings would be so happy, any President shouting "Crisis! Crisis! Executive Order!" would be laughed at as a clown.

The Executive Order crisis is a different kind, made by government, not by the people. It's the kind of crisis where the rising line bursts out of the graph. It bursts out of the graph because people don't object to paper money in the way that counts. If you won't bring the rising line down to earth, it can only be assumed you are delegating your authority to dignitaries. It doesn't matter whether you delegate your authority out of ignorance, or complacency, or an act of will: your silence in a worsening situation is evidence of *surrender of your lawful power*. It's your way of saying "I'm helpless." **You have handed the problem over to the officials, and they would be foolish not to deal with the problem in such manner as rewards officials first.** Of course, the best part of their reward is getting to control your life. I have many friends who can already perceive this happening. Do you?

Why shouldn't a population blessed with the constitutional power to stop economic disaster but which does not use that power, why shouldn't such a self-

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1 neglecting population be tyrannized head to toe? Why shouldn't the rabbit
2 dozing in the open suffer the eagle?

3
4 So you see, hanging on to the status quo in increasingly lawless times is
5 actually the most violent kind of revolutionary behavior. Not objecting to paper
6 money is the most wild-eyed, troublemaking, rabble-rousing kind of social
7 terrorism.

8
9 *If your posture is*

10
11 ***"I just don't want any trouble,"***

12 *your only choice is to help perform the Miracle. For trying to ignore the*
13 *gathering tragedy, not wanting to discuss it, is an active contribution to*
14 *lawlessness and your own destruction. You'd might as well be carrying a gun,*
15 *shooting your friends, looting their homes.*

16
17 Article I Section 2 of tire Tennessee Constitution expresses it more adamantly
18 than I have:

19
20 *Non-resistance against arbitrary power and oppression is absurd,*
21 *slavish, and destructive of the good and happiness of mankind.*

22 With these words, the law itself condemns you as absurd, as a slave, and as a
23 destroyer of good and happiness if you fail to resist the oppression and
24 arbitrary valuation of lawless money.

25
26 What social action could be more fun than the Miracle on Main Street? What
27 social action could be more harmlessly exciting than using the law to stimulate
28

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your state to force the President to call our precious coin out of hiding? (*Don't worry. It's still there, plenty of it.*) The Miracle on Main Street is a hundred times safer than burning draft cards, or marching for decency, or burning crosses, or demonstrating for Civil or Equal Rights, or demonstrating against busing, or chasing Iranian students out of town. It's safer because there's no demonstrating necessary. It's a personal thing. It's between you and the folks down at City Hall, you and the folks behind the counters of the shops that open out on Main Street, you and your child's teacher, you and your supervisor, you and your friends, you and me. It's done not with courageous, bold proclamations but polite inquiries:

"What has this state declared to be legal tender in the payment of debts?"

"Are you upholding your oath to support Article I Section 10?"

The Miracle on Main Street will be the only truly powerful social movement where courage and daring are not fundamental requirements. It will be performed not by rabble but by nice, God-respecting people, from school children to old timers. Especially old timers, who contributed silver coin to Social Security only to receive paper dividends that buy less and less with each passing day. *If they put silver in, shouldn't they get silver out?*

One thing you'll not have to do as you achieve the Miracle is *fight*. I believe the concept that personal liberty is something that must be "fought for" is an old, old figment of the ideosphere concocted by artful official propagandists.

Do you remember the widely-circulated conservative slogan of the 1960's,

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"I'd rather be dead than Red"?

The actual effect of this patriotic sounding sentiment was the exact opposite of its apparent intent.

"I'd rather be dead than Red"

prompted the more reasonable listener to begin calculating how many of his freedoms he could surrender to communist invaders and still remain relatively comfortable. *The phrase might as well have been coined by Khrushchev himself.*

Official propagandists have always depicted freedom as something that must be earned through bloody ordeal. Look at such emblems of liberty as war movies, the wounded fifer and drummers marching in Revolutionary America, Jesus Christ nailed to the cross. *What is the purpose of these emblems?* To encourage us to follow their example? For all the reverence and thanksgiving and piety they might inspire, they fail to encourage me to do anything but seek an alternative to fighting or suffering or dying at the hands of a liberty-robber. *I'm not a martyr, and I don't believe you are, either.*

No, I believe images of bloody ordeal are carefully designed to challenge the public imagination with the demand

**THIS IS THE PRICE OF LIBERTY. ARE YOU WILLING TO
PAY IT?**

And most people ~ the best people, those who really love their families and enjoy every instant of being alive and healthy ~ decide the price is just a bit too

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high. *And so they give up some liberty, some integrity, a few of their private rights, in order to avoid a fight. What they overlook is that in the United States of America, bloody ordeal is not the price of liberty.* The Constitution ruled out the Fight for Rights when it was ratified in 1789. *Our Constitution guarantees no fighting.* It guarantees

"against violence and revolution by providing a peaceful method for every needed reform," as George Bancroft wrote.

If our officials should act adversely to the Constitution, upsetting our tranquility, *we simply remind them* that they are wandering from the law they are sworn to follow. We remind in America, not fight. Reminding is easier, more humane than fighting. Reminding is educational, bringing adversaries together in understanding rather than in ordeal.

The outcome is clean, profitable for all concerned, and there are no hard feelings. No, there is no fight involved in the Miracle on Main Street. *It's a social action for scaredy cats.*

Now that you've read this little book, *you've learned* about our money and the one essential law governing that money. *You know* probably more than many, many economics experts about the lawfulness of American money. More even than many lawyers and judges and government officials and professors.

You now have the power to make the Miracle happen.

Work it!

Appendix I:

A Caveat Against Injustice

By Roger Sherman

1982 Spence Judd edition, edited with a commentary
by F. Tupper Saussy

A Living Voice

I

Any student of the economic system of the United States ought to be familiar with United States monetary law. Since all laws in this country must flow in pursuance of the United States Constitution, the student should base his study of monetary law on the economic provisions contained in the Constitution.

It's not widely known that the Constitution deals with economics. Indeed, most people are surprised to learn that *the sole purpose of the Constitutional Convention*, as described by Alexander Hamilton in a report to Congress in 1786 recommending that there be a convention, *was to take into consideration the trade and commerce of the United States.*

What was wrong with trade and commerce in the United States? They were being twisted all out of shape by an inflating balloon of an elastic currency, the very stuff the Federal Reserve provides today.

Our first constitution, the Articles of Confederation (1781), was severely deficient in the economic rights department. The Articles empowered Congress

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1 to emit a paper currency, while allowing the states to retain their power to make
2 this paper a legal tender in payment of debts, that is, to compel people to use the
3 stuff. ***The result?*** A warping of personal and business relations in the United
4 States that drove George Washington (and God knows how many other folks)
5 to depression and nervous exhaustion. ***Suffering the compounded agonies***
6 ***inflicted by a paper monetary system of uncontrollable value fluctuations.***
7 Washington wrote these dismal words to James Madison on the eve of the
8 Convention:
9

10 The wheels of government are clogged, and we are descending into
11 ***the vale of confusion and darkness.*** ***No*** day was ever more clouded
12 than the present. ***We are fast verging into anarchy and confusion.***

13 ***The deliberate purpose of the 1787 Constitutional Convention*** was to stop the
14 ravages of a fluctuating medium of exchange by obligating government to
15 maintain a reliable medium of exchange. ***President Andrew Jackson validated***
16 ***this fact in his Eighth Annual Message to Congress, December 5th, 1836, just***
17 ***47 years after the Constitution was ratified by the states...***
18

19 ***..It was the purpose of the convention to establish a currency***
20 ***consisting of the precious metals.*** These were adopted by a
21 permanent rule excluding the use of a perishable medium of
22 exchange, such as of certain agricultural commodities recognized by
23 the statutes of some States as tender for debts, or the still more
pernicious expedient of paper currency.

24 The "***permanent rule excluding the use of the pernicious expedient of paper***
25 ***currency***" is an exquisitely framed piece of legislative machinery. ***In Article I***
26 ***Section 8, the Framers gave Congress the power***
27
28

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1 ...to coin Money, regulate the Value thereof, and of foreign Coin, and
2 fix the Standards of Weights and Measures.

3 *In Article I Section 10, the Framers denied the states any power to coin and*
4 *issue money. More importantly, they denied the states the power to ordain - in*
5 *payment of debts - the use of anything but the money Congress was empowered*
6 *to coin. The substance of that coin is named in the denial:*

7
8 *No State shall coin Money, emit Bills of Credit, make any Thing but*
9 *gold and silver Coin a Tender in payment of Debts.*

10 Through the Framers, then, the People of the United States appointed the states
11 to be custodians of the American monetary system. *If Congress ceased coining*
12 *gold and silver, causing gold and silver coin to stop circulating, the states*
13 *would be unable to compel their citizens to pay any debts, public or private. It*
14 *was the responsibility of an ever - vigilant union of states to keep Congress*
15 *coining gold and silver, thereby preserving interstate commerce, preserving the*
16 *very Union itself.*

17
18 The power the states had reserved under the Articles of Confederation, the
19 power to make anything a legal tender, is a marvelous power indeed. The power
20 to compel people to accept something of no intrinsic value in exchange for
21 something of value *is the power to rob people of their property "secretly,"* as
22 John Maynard Keynes put in the 1920's, "and unobserved."

23
24 The United States Constitution is one of the few written compacts between
25 people and government that actually dragged the power out into the open for all
26 to see and condemn. *In the 44th Federalist Paper, James Madison eloquently*
27
28

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explained why the States were giving up their power to compel citizens to use either federal or state paper money:

The loss which America has sustained from the pestilent effects of paper money on the necessary confidence between man and man, on the necessary confidence in the public councils, on the industry and morals of the people, and on the character of republican government, constitutes an enormous debt against the States chargeable with this unadvertised measure, which must long remain...an accumulation of guilt, which can be expiated no otherwise than by voluntary sacrifice on the altar of justice of the power which has been the instrument of it.

The states' voluntary sacrifice hastily rescued our forefathers from the vale of confusion and darkness, unclogged the wheels of government, brightened the day, and restored peace and order. A mere nine months after the

"permanent rule excluding the pernicious expedient of paper currency"

was ratified by the states, the December 16th 1789 edition of The Pennsylvania Gazette was able to say:

Since the federal constitution has removed all danger of our having a paper tender, our trade is advanced fifty percent. Our monied people can trust their cash abroad, and have brought their coin into circulation.

And in June, 1790, a little more than a year after ratification, a much happier George Washington was able to write his friend the Marquis de LaFayette that

Our revenues have been considerable more productive than it was imagined they would be. I mention this to show the spirit of enterprise that prevails.

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II

*The writers of the constitution knew exactly what they were doing when they wrote in **Article I Section 10** paragraph 1*

'No state shall... make anything but gold and silver coin a tender in payment of debts.'

People able to barter with gold and silver coin control government and are free. Loss of the right to trade in gold and silver coin enslaves people to the creators of psychological 'money.'

**-Merrill Jenkins, Sr., *The Greatest Hoax on Earth*
The voice of legislators is a living voice.
-10 COKE 101 (England)**

The Framers who perfected the design of our country's monetary system was a man who had spent most of his life struggling with - and publicly condemning-a fluctuating medium-of exchange.

That man was Roger Sherman (1721-1793), a delegate from Connecticut. It was he who, on August 28th, 1787, proposed that the states sacrifice the power to participate in paper money schemes. When it was counter-proposed that the states be allowed by Congress make other things than gold and silver coin a tender in payment of debts, we're told by James Madison that Sherman exclaimed,

We are making these measures absolute. ***This is a favorable crisis for crushing paper money.*** If the consent of the Legislature could authorize emissions of it, ***the friends of paper money would make every exertion to get into the Legislature in order to license it.***

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1 The reader of Madison's Notes on the Debates of the Convention would
2 naturally infer that Sherman was prejudiced against paper money. *But where is*
3 *any material explaining why Sherman disliked paper money?* None can be
4 found. There's a black hole in history where Roger Sherman's monetary
5 philosophy should be.

6
7 It's been estimated that there are more than 500 million copies in print of Karl
8 Marx's Manifesto of the Communist Party and *Das Kapital*. How many billions
9 of impressions of Marx's monetary philosophy have been etched into human
10 consciousness nobody can calculate. He is celebrated as the founding father of
11 the Communist movement and is regarded as one of the greatest thinkers of all
12 time not only in the communist countries, but also in most American colleges
13 and universities, where he is Required Reading in many sociology, history,
14 economics, and philosophy courses.

15
16 *Karl Marx (1818-1883), of course, was a friend of paper money.* He held that
17 a central bank empowered to emit paper money and compel the people to use it
18 *was essential to government's control of individual property.*

19
20 We don't have to estimate how many copies of Roger Sherman's only book
21 there are in existence. There are considerably fewer than 500 million. In fact,
22 there are only two. *Only two copies of A CAVEAT AGAINST INJUSTICE left*
23 *in the world.* Think about it. Five HUNDRED MILLION that say paper money
24 is good vs two that say paper money is evil.

25
26 Admitted, other people have written that paper money is evil. *But they weren't*
27 *the Framers of the United States Constitution's monetary clauses.*
28

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1 One of the two copies of A CAVEAT AGAINST INJUSTICE was in the
2 collection of the late Senator George Frisbie Hoar (1826-1904), lawyer,
3 representative, and grandson of Roger Sherman. In this copy, according to *A*
4 *Dictionary of Books Relating to America, From Its Discovery To The Present*
5 *Time* (New York:1891), Sherman had scratched through the pseudonym
6 Philoenomos (Greek for "**lover of good law**") on the title page and written "**By**
7 **Roger Sherman.**" Beneath his signature, Sherman had inscribed the book "For
8 Mr. Edward Wigglesworth." The only other original copy sleeps in the
9 Beinecke Rare Book Library at Yale, the university of which the author served
10 as Treasurer from 1765 to 1776.
11

12 The Spencer Judd edition of A CAVEAT AGAINST INJUSTICE is the first
13 known public presentation of this vital book after more than 200 years of
14 undeserved obscurity.
15

16 Now, I'm ***not*** suggesting that A CAVEAT AGAINST INJUSTICE might have
17 been suppressed by those who prosper from people's unawareness of their
18 economic rights secured by the Constitution, but it is strange that the only
19 comprehensive indictment of paper money written by the Framers of the
20 Constitution's guarantee of individual economic security should be allowed to
21 dwindle down to two copies. ***Two copies from oblivion!*** This, mind you, is the
22 only book written by the only man to sign all four of our most precious political
23 documents ~ The Continental Association of 1774, The Declaration of
24 Independence, The Articles of Confederation, and The United States
25 Constitution. ***Do the Guardians of our American Heritage think it's not worth***
26 ***remembering?***
27
28

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First Published in 1752, A CAVEAT AGAINST INJUSTICE is an economics treatise anyone can understand, in spite of its period literary style. *Considering the stature of the author, it's probably the most important economics treatise ever written.* For all the influence of Marx, Adam Smith, Ricardo, Bastiat, Engels, Keynes, Samuelson, Hayek and Friedman may exert over a student's monetary thinking, not one of them has enjoyed the privilege of standing on the floor of a legislative body, proposing his philosophy, and having it enacted into law ratified by the people, in the way Roger Sherman has.

If the voice of the legislator is a living voice, and if the legislator's intent constitutes the law, then the student of United States monetary law must listen carefully to Roger Sherman's voice, and be guided by the intentions it expresses. For A CAVEAT AGAINST INJUSTICE, word for word, is the very soul of the supreme law governing the money and the property of the people of the United States. It removes the danger of judicial speculation as to the intent of the Constitution's monetary provision, being the only authoritative description by a Framers of the monetary system the Framers wished to avoid, and why; and of the system they were advancing, and why.

III

A prophet is not without honor, save in his own country, and in his own house.

- Jesus of Nazareth, Matthew 13:53

Mr. Sherman exhibits the oddest shaped character I ever remember to have met with. He is awkward, un-meaning, and unaccountably strange in his manner. But in his train of thinking there is something

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regular, deep, and comprehensive; yet the oddity of his address, the vulgarisms that accompany his public speaking, and that strange new England cant which runs through his public and private speaking make everything that is connected with him grotesque and laughable; ~ **and yet he deserves infinite praise**; ~ no Man has a better Heart or a clearer Head. If he cannot embellish he can furnish thoughts that are wise and useful. He is an able politician, and extremely artful in accomplishing any particular object;- it is remarked that he seldom fails.

- Major William Pierce (Georgia),
Characters in the Convention, 1787.

A CAVEAT AGAINST INJUSTICE reflects events in Roger Sherman's personal life. There is on file in the Connecticut State Library in Hartford an action in which Roger, then 30 years old, and his brother William sued James Battle for paying a debt to their shop in New Milford, Connecticut, in depreciated paper currency.

Over a period of 15 months in 1750-51, Battle had charged "*divers wares & merchandizes*" amounting to 129 pounds of what the Shermans assumed were pounds of Connecticut "*Old Tenor*" currency, a stable currency whose value was well-preserved by taxation's taking it out of circulation. But Battle assumed the debt was denominated in pounds of ever-depreciating Rhode Island currency, tendered same, and the Shermans took a beating in the payment and sued for recovery for loss of depreciation. *Sherman wrote in CAVEAT:*

...to impose Rhode Island Bills of Credit in Payments for Debts in this Colony when the Creditor never agreed to take them, and that without any Allowance for the Depreciation, would be to take away Men's

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1 Estates and wrong them of their just and righteous Dues without either
2 Law or Reason.

3 The record of Sherman versus Battle states:
4

5 And now the Defendant Comes into Court and pleads and Says that he
6 owes nothing to the Plaintiffs in money of the Colony of Connecticut
7 in Manner and form of the Plaintiffs in their Declaration have
8 supposed and therefore puts himself on the Country. And the
9 Plaintiffs say the Plea of the Defendant above pleaded is insufficient
in the Law. And the Defendant says his plea is sufficient, etc.

10 The outcome of Sherman versus Battle was a victory for paper money, because
11 James Battle won. *Why did he win?* Battle "*put himself on the Country.*"
12 which is a way of saying that he pled "*the law of the land*" or "*custom.*"
13 Custom, in Sherman's day, meant the colonial common law: the way things
14 were done in early America. Sherman's position was that Battle's pleas was
15 insufficient in English Common Law, big L, under which paper currency could
16 *not* pay a debt unless specifically provided for in a contract.
17

18 *Without thinking much about it, the people of Connecticut obeyed their*
19 *timeworn custom of allowing the currencies of the various Colonies to*
20 *circulate promiscuously with one another, heedless of differences in their real*
21 *purchasing power, very much as the people of our states did in the 1960's*
22 *when irredeemable Federal Reserve notes began circulating promiscuously*
23 *with redeemable Fed notes, United States notes, Treasury notes, and Silver*
24 *Certificates.*
25

26 When Federal Reserve notes were first emitted in 1914, their stated rate was
27 one dollar of gold or lawful money for each dollar promised. Today (1982), a
28

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1 one-dollar Federal Reserve note will purchase less than 1/10th of a dollar of
2 gold or lawful money. *Roger Sherman's condemnation of Rhode Island bills*
3 *applies with equal force to today's Federal Reserve notes:*
4

5 And since the Value of the Bills of Credit depend[s] wholly on the
6 Rate at which they are stated and on the Credit of the Government by
7 whom they are emitted and that being the only Reason and
8 Foundation upon which they obtained their first Currency and by
9 which the same has been upheld ever since their first being current,
10 and therefore when the Publick Faith and Credit of such Government
11 is violated, then the Reason upon which such Bills obtained their
12 Currency ceases and there remains no Reason why they should be any
13 longer current.

14 In Sherman's day, a traveling man could make a fortune hopping across the
15 State line, buying many cheap Rhode Island pound bills of credit ("*or rather of*
16 *no Credit*," growled Sherman in A CAVEAT) with his few fine Connecticut
17 pound bills, return to Connecticut and enjoy an enormous increase in
18 purchasing power by paying in Rhode Island bills. (Motion is traditionally
19 associated with cheating: is not Mercury, the Roman god of travel, also the god
20 of commerce and thievery?) And all the while, the people - stuck in the habit of
21 dealing with paper images - let their value slip through their fingers without
22 complaint.

23 Sherman addressed the law of the land, or custom, in A CAVEAT AGAINST
24 INJUSTICE:

25 If what is us'd as a Medium of Exchange is fluctuating in its Value it
26 is no better than unjust Weights and Measures, both which are
27 condemn'd by the Laws of GOD and Man, and therefore the longest
28

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and most universal Custom could never make the Use of such a Medium either lawful or reasonable.

Losing the Battle case did not quell Roger Sherman's struggle for lawful and reasonable money. Quite the contrary, it convinced him that somehow the colonial custom of passively participating in a monetary system of fluctuating value, suffering the losses without complaint, drowning the pain in vice and sermons, had to be altered. A CAVEAT AGAINST INJUSTICE closes with a petition to the General Assembly of Connecticut asking that Rhode Island bills of credit be forbidden from circulating within the state borders and

...whether it would not be very much for the Publick Good to lay a large Excise upon all Rum imported into this Colony or distilled herein, thereby effectually to restrain the excessive use thereof, which is such a growing Evil among us and is leading to almost all other Vices. And I doubt not but that if those two great Evils that have been mentioned were restrained we should soon see better Times.

Twenty-four years later, Roger Sherman was to help write the Declaration of Independence, which ingeniously described the destructive social consequences of man's tendency to hang on to bad habits:

All experience hath shown that mankind are more disposed to suffer while evils are sufferable than to right themselves by abolishing the forms to which they are accustomed.

The Common Law, that great river of habit flowing down from the remote English past, has always held that the only money with which debts can be paid is metals of intrinsic value. But the Common Law had been shunted off course in the American colonies by a confusion of statutes that served legislators and their supporters at the expense of the people in common. This

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1 needed correction, redirection. The widespread failure of an elastic currency
2 made necessary the forging of a brand new custom (call it the resumption of an
3 old, if you like). The habit of using materials of intrinsic value-gold and silver
4 coin - must be introduced into the American consciousness, must be secured as
5 "law of the land;" otherwise, Sherman wrote in CAVEAT,
6

7 ...instead of having our Properties defended and secured to us by the
8 Protection of the Government under which we live, we should be
9 always exposed to have them taken from us by Fraud at the Pleasure
10 of other Governments, who have no Right of Jurisdiction over us.

11 Of course, Sherman might have been specifically referring to the government of
12 Rhode Island. But would he not have condemned the assumption of jurisdiction
13 over us by any government not created by constitution? *Recall House Banking*
14 *Committee Chairman Wright Patman's warning* a decade ago that we were
15 being ruled by another government:

16
17 *In the United States today we have in effect two governments.... We*
18 *have the duly constituted Government...Then we have an*
19 *independent, uncontrolled and uncoordinated government in the*
20 *Federal Reserve System, operating the money powers which are*
reserved to Congress by the Constitution.

21 Doesn't Congressman Patman's testimony make it clear that the Federal Reserve
22 banking system is our "*other Government*" to which we are "*always exposed*"
23 to having our properties "*taken from us by Fraud*"?

24
25 I am loyal to a duly constituted Government. *But why should I pledge loyalty*
26 *to an independent, uncontrolled, and uncoordinated government not obliged*
27
28

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1 *to take a Constitutional oath, a government "who (has) no Right of*
2 *Jurisdiction over us"?*

3
4 When the Constitution was ratified on the first Wednesday in March, 1789,
5 Roger Sherman accomplished his lifetime quest for an unalterably secure
6 monetary system consisting of gold and silver coin. *According to the 2nd*
7 *Section of Article VI of the Constitution,*

8
9 This Constitution and the laws of the United States which shall be
10 made in pursuance thereof; and all treaties made, or which shall be
11 made, under the authority of the United States, shall be the supreme
12 law of the land, *and the judges in every State shall be bound thereby,*
13 anything in the Constitution or laws of any State to the contrary
notwithstanding.

14 On that first Wednesday in March 1789, the monetary system advocated in A
15 CAVEAT AGAINST INJUSTICE became a vital organ in the Supreme Law of
16 the Land. No one thereafter could "*put himself on the country,*" saying "*we've*
17 *always used this stuff for money,*" and hope to get a state court to ordain the
18 use of paper money as tender in payment of debts. nor could a state court say

19
20 "You must pay in paper because we've always used this stuff for
21 money."

22 Not even Congress could compel the states to traffic in irredeemable notes, for
23 Sherman in Convention had insisted that the prohibition be

24
25 "absolute, instead of...allowable with the consent of the Legislature of
26 the U.S."

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Our economic right to circulating gold and silver, coined by Congress has never been amended out of the Constitution. There are only two ways this right can be denied to us: our voluntarily surrendering it, which is what most of us have done up to now; or its being taken away from us by a tyrannical force applied by our fellow countrymen, in our own land, against us.

IV

If the banks create ample synthetic money, we are prosperous; if not, we starve! We are absolutely without a permanent monetary system. When one gets a complete grasp of the picture, the tragic absurdity of our hopeless position is almost incredible-but there it is. It is the most important subject intelligent persons can investigate and reflect upon. It is so important that our present civilization may collapse unless it is widely understood and the defect remedied soon.

**-Robert H. Hemphill, former Credit Manager,
The Federal Reserve Bank of Atlanta,
in the Foreword to 100% MONEY, by Irving Fisher**

*If Congress won't keep its part of the Constitutional bargain and coin money of gold and silver like **Article 1, Section 8 Clause 5** commands, there's **no** way my court can require anyone to pay fines. I'm **not** here to protect certain people's investments. I'm here to carry out the mandate of the U.S. and the Kansas Constitutions.*

**-The Honorable Larry Moritz
Municipal Judge,
Spearville, Kansas, 1981**

If Ratification of the Constitution was the Grand Finale in Roger Sherman's career, certainly A CAVEAT AGAINST INJUSTICE was the Overture, and both are made of the same thematic material: a quest for economic security in the Law. You could have sat down with Sherman at the close of the Convention

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1 and asked him what the purpose of **Article 1 Section 10 Paragraph 1** was and
2 he would have handed you a copy of his little book.

3
4 Yet, solid as they are, Sherman's ideas on money were ridiculed by many
5 contemporaries as crankish. We've seen how they were rejected by the court in
6 in New Milford. *Who but a fool would dare suggest that the states make*
7 *nothing but gold and silver coin a tender in payment of debts when there was*
8 *so little gold and silver to be had?* Surely, Sherman must have heard

9
10 "There's not enough gold to go around, is there?"

11 as often as he heard

12
13 "Since all the gold's in Europe, what will prevent the Europeans from
14 flooding the market, and getting our property for nothing?"

15 *Those questions were answered by history: it is a matter of record that after*
16 *no state could make any thing but gold and silver coin a tender in payment of*
17 *debts, the United States became the world's largest depository of gold and*
18 *silver while simultaneously becoming the most productive nation in the*
19 *history of the world.* Roger Sherman had predicted events with perfect accuracy
20 in the closing paragraphs of CAVEAT:

21
22 *So long as* we part with our most valuable Commodities for such Bills
23 of Credit as are no Profit; but rather a Cheat, Vexation and Snare to
24 us, and become a Medium whereby we are continually cheating and
25 wronging one another in our Dealings and Commerce, *and so long as*
26 we import so much more foreign Goods than are necessary, and keep
27 so many Merchants and Traders employed to procure and deal them
28 out to us...*I say as long as* these Things are so we shall spend great
Part of our Labour and Substance for that will not profit us. *Whereas*

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1 *if these* Things were reformed, the Provisions and other Commodities
2 which we might have to export yearly, and which other Governments
3 are dependant [sic] upon us for, *would procure us God And Silver*
4 *abundantly sufficient for a Medium of Trade.* And we might be as
5 independent, flourishing and happy a Colony as any in the British
6 Dominions.

6 Compare this prediction with President Washington's jubilant address to both
7 houses of Congress on December 8th, 1795, six years after the states had been
8 forced onto a strict diet of gold and silver coin:

10 Our agriculture, commerce, and manufacture prosper beyond former
11 example...Every part of the Union displays indications of rapid and various
12 improvements, and with burdens so light as scarcely to be perceived; with
13 resources fully adequate to our present exigencies; with governments founded
14 on the genuine principles of rational liberty, and with mild and wholesome
15 laws; is it too much to say, that our country exhibits a spectacle of national
16 happiness never surpassed, if ever before equaled?

18 Whether you're a student of monetary law or just a participant in what Charles
19 Riely calls "*the Culture of Freedom*," I pray that you'll read Roger Sherman's
20 lost masterpiece time and time again, marking it, inwardly digesting it. I hope
21 you'll show it to people who have to be shown things before they'll believe.

23 *I hope you'll use it to* demonstrate to skeptical neighbors as well as attorneys,
24 both official and private, that it was the resolute intent of the Framers of the
25 Constitution to do away with a fluctuating medium of exchange for the very
26 reasons Roger Sherman sets down in his wondrous little document.

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1 In A CAVEAT AGAINST INJUSTICE, our forgotten Framers is warning us
2 (*caveat* is Latin for "warning") that the form of money Congress (but no state
3 legislature) has declared "legal tender," this monetized debt issued and
4 regulated by

5
6 "Governments who have no Right of Jurisdiction over us,"
7 is evil; and let me remind you that "evil" means

8 "*morally bad or wrong; wicked; malevolent; sinful; causing an*
9 *undesirable condition, as ruin, injury, pain, harmful, injurious,*
10 *undesirable, infamous; that which is destructive or corruptive.*"

11 If the money -

12 "that whereby other things are valued"

13
14 - is evil, how can the things it values be good?

15 *Indeed, an evil medium of exchange colors everything evil.* Just look around.
16 What passes for money in 1982 [2006] is as evil, as unpredictable, as damnable
17 as Rhode Island Bills of Credit in a 1751 Connecticut dry goods store. Today's
18 official medium of exchange is

19
20 "*unjust weights and measures, both which are condemn'd by the*
21 *Laws of GOD and Man.*"

22 It is money deliberately designed to

23
24 "*take away Men's Estates and wrong them of their just and*
25 *righteous Dues without either Law or Reason.*"

26 All these charges are proved every minute of every day.
27
28

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The remedy is contained in the Law.

By Law, the states have no Constitutional authority whatsoever to participate in a monetary system comprised of bills not redeemable unit for unit in gold and silver coin. In fact, any state court, judge, or ministerial officer who participates in a compulsory fluctuating medium of exchange is

"obliging Men to part with their Estates for that which is worth nothing in it self."

The pages of THE MAIN STREET JOURNAL [published by Tupper Saussy between 1981 and 1987] tell monthly of the thousands of Americans who have begun ***withholding public dues to their states, countries, and municipalities until such time as Congress once again coins that which the states can make tender in payment of debts.***

Although many officials have respected this claim of right, it saddens me to report that others have worked extreme hardship on citizens who assert economic rights guaranteed by the Constitution. ***Why? Do these officers feel threatened? Are they frightened?*** If they are merely skeptical that the Constitution was designed to crush a monetary system identical to ours today, they need A CAVEAT AGAINST INJUSTICE.

As they read, they will hear the convincing voice of the Legislator himself declare that a monetary system comprised of a fluctuating medium of exchange such as ours today is

"an Iniquity not to be countenanced, but rather to be punished by the Judges."

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1 It is a living voice of the man whom Thomas Jefferson declared

2
3 ***"Never said a foolish thing in his life."***

4
5 ~Frederick *Tupper Saussy*,
6 Sewanee, Tennessee,
7 April, 1982

A Caveat Against Injustice

or, **An Inquiry into the Evils of a
Fluctuating Medium of Exchange,**
Wherein is considered, whether the Bill
of Credit on the Neighboring Governments,
are a legal Tender in Payment of Money,
In the Colony of Connecticut for Debts
due by Book, and otherwise, where the
Contract mentions only Old-Tenor Money.

By Roger Sherman

§1 Forasmuch, as there have many Disputes arisen of late concerning the Medium of Exchange in this Colony, which have been occasioned chiefly by Reason of our having such *large Quantities of Paper Bills of Credit* on some of the Neighbouring Governments, passing in Payments among us, and some of those Governments having issued much larger sums of Bills than were necessary to supply themselves with a competent Medium of Exchange, and not having supplied their Treasuries with any Fund for the maintaining the Credit of such Bills; *they have therefore been continually depreciating and growing less in their Value, and have been the principal Means of the Depreciation of the Bills of Credit emitted by this Colony, by their passing promiscuously with them; and so have been the Occasion of Much Embarrasment and Injustice, in the Trade and Commerce of the Colony, and many People and especially Widows and Orphans have been great Sufferers thereby.*

§2 But our Legislature having at length taken effectual Care to prevent further Depreciation of the Bills of this Colony, and the other Governments not having

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1 taken the prudent Care, their Bills of Credit are still sinking (1) in their Value,
2 and have in Fact sunk much below the Value of the Bills of this Colony.

3 §3 Yet some People among us, by long Custom, are so far prejudiced in Favour
4 of a sinking Medium, and others not being really sensible of the true State of
5 the Case, are inclined to think that Bills of Credit on the neighbouring
6 Governments ought to be a legal Tender in Payments in this Colony for all
7 Debts due by Book and otherwise where there is no special contract expressly
8 mentioning some other Currency, and others being of a different Opinion, the
9 Disputes have been carried on so far, as to occasion some Expense in the Law,
10 and may be likely to occasion much more, unless prevented by those Prejudices
11 being some way removed. *And since it is a Cause wherein every one is more*
12 *or less interested, I have ventured to shew my Opinion, with a sincere Desire*
13 *to have Peace and Justice maintained and promoted in the Colony. Not*
14 *desiring any Person to approve of my Observations any farther than he finds*
15 *them agreeable to the Principles of Justice and right Reason.*

16
17 **THE CASE STATED**

18
19 §4 Suppose a Man comes to a Trader's Shop in this Colony to buy Goods, and
20 the Trader sells him a certain Quantity of Goods and tells him the Price is so
21 many Pounds, Shillings and Pence, (let it be more or less) to be paid at the
22 Expiration of one Year, from that Time, and the Man receives the Goods *but*
23 *there is nothing said either by Seller or Buyer, what Currency it is to be paid*
24 *in, but the Goods are charged according to the Value of Bills of Credit Old*
25 *Tenor on this Colony.*

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1 §5 Now I Query what the Creditor has a Right to demand for a Debt so
2 contracted; or what the Debtor can oblige him to accept in Payment?

3
4 §6 The Creditor says,

5
6 *that the Debt being contracted in the Colony of Connecticut, he*
7 *ought to have what is known by the Laws of said Colony to be*
8 *Money: And that he has no Right to demand any thing else.*

9 §7 The Debtor says,

10 *That Bills of Credit on the neighbouring Governments have for*
11 *many Years passed promiscuously with the Bills of Credit on this*
12 *Colony as Money in all Payments, (except special Contracts) and*
13 *that People in general where the Contracts ly at large have expected,*
14 *and do still expect, that any of the Bills of Credit on any of the*
15 *Governments in New-England, that have obtained a Currency in*
16 *this Colony will answer in Payment, and in as much as the Creditor*
17 *did not give him any Notice to the contrary, when he bought the*
18 *Goods, therefore he thinks that such Bills of Credit ought to be*
19 *accepted in Payment for the aforesaid Debt.*

20
21 §8 And altho' there is no particular Statute in this Colony, that such Bills of
22 Credit shall be a legal Tender in Payments of Money:

23 *Yet the Practice has been so universal for so long a Time, and the*
24 *Creditor himself has both received and pass'd them as Money*
25 *constantly without making Exceptions against them 'till this Debt*
26 *was contracted, and for many Years all Demands on Book Debts*
27 *have been for Old Tenor Money indifferently, without Distinction of*
28 *Colonies, and Judgements in all Courts have been given thereon*
accordingly:

And any of the aforesaid Bills of Credit have pass'd in Payment to
satisfy all Judgements, so obtain'd and this universal Custom, the

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Debtor saith, ought to be esteemed as common Law and ought not without some special Reason to be set aside, and that in this Case there is nothing special; and therefore the Creditor ought not to make Demand or obtain Judgement different from the common Custom of the Colony.

§9 In Answer to this the Creditor saith, that altho' Bills of Credit on the neighbouring Governments have for a Number of Years been pass'd and receiv'd in Payments: Yet it has been only by the voluntary Consent of the Persons receiving them, and not because they were under any Obligation to receive them; and that it is no Argument that a Person shall be obliged to receive any Species where it won't answer his End, because in Time past he has receiv'd it when it would answer.

§10 And the Creditor furthur saith, that such Bills of Credit are of no intrinsick Value, and their Extrinsical Value is fluctuating and very uncertain, and therefore it would be unjust that any Person should be obliged to receive them in Payment as Money in this Colony, (since neither the Colony nor any of the Inhabitants thereof are under any Obligation either to Refunds said Bills or to maintain the Credit of them) for Money ought to be something of certain Value, it being that whereby other Things are to be valued. (2)

§11 And I think it is a Principle that must be granted that no Government has Right to impose on its Subjects any foreign Currency to be received in Payments as Money which is not of intrinsick Value; unless such Government will assume and undertake to secure and make Good to the Possesor of such Currency the full Value which they oblige him to receive it for. Because in so

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1 doing they would oblige Men to part with their Estates for that which is worth
2 nothing in it self and which they don't know will ever procure him any Thing.

3
4 §12 And Rhode-Island Bills of Credit have been so far from being of certain
5 Value and securing to the Possessor the Value that they were first stated at, that
6 they have depreciated almost four seventh Parts in nine Years last past, as
7 appears by their own Acts of Assembly.

8
9 §13 *For in the year 1743*, it appears by the Face of the Bills then emitted that
10 *Twenty-seven Shillings* Old-Tenor was equal to one Ounce of Silver. And by
11 an Act of their General Assembly pass'd in March last, they stated *Fifty-four*
12 *Shilling* Old-Tenor Bills equal to one Ounce of Silver, which sunk their Value
13 one half. And by another Act in June last, (viz. 1751) they stated *Sixty-four*
14 *Shillings* in their Old-Tenor Bills equal to one Ounce of Silver. *And by another*
15 *Act in August last they gave Order and Direction to the Courts in that Colony*
16 *to make Allowance to the Creditors in making up Judgement from Time to*
17 *Time as the Bills shall depreciate for the Future, which shews that they*
18 *expect their Bills of Credit to depreciate for the Future.*

19
20 §14 And since the Value of The Bills of Credit depend wholly on *the Rate at*
21 *which they are stated and on the Credit of the Government by whom they are*
22 *emitted* and that being the only Reason and Foundation upon which they
23 obtained their first Currency and by which the same has been upheld ever since
24 their first being current and *therefore when the Publick Faith and Credit of*
25 *such Government is violated*, then the Reason upon which such Bill obtained
26
27
28

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their Currency ceases and there remains no Reason why they should be any longer current.

§15 And this I would lay down as a Principle that can't be denied that

a Debtor ought not to pay any Debts with less Value than was contracted for, without the Consent or against the Will of the Creditor.

§16 And the Creditor further saith, that his accepting Rhode - Island Bills of Credit when they stood stated equal to Silver at *Twenty-seven Shillings* an Ounce, can be no Reason that he should receive them at the same Value when they are stated equal to Silver at *Fifty-four Shillings* an Ounce, and still to receive them at the same Rate when they are so reduced down that *Sixty-four Shillings* is equal to but one Ounce of Silver, and whoever does receive them so must not only act without, but against Reason.

§17 And the Debtor can't possibly plead without any Truth that he expected to pay in Rhode-Island Bills of Credit at their present Value and under their present Circumstances, (any Debts contracted before the aforesaid Acts of Rhode Island were published [were promulgated]) because there was no such Thing (as those Bills are under their present Circumstances) existing at the Time of Contract, for as was observ'd before, the Value of such Bills of Credit depend wholly upon the *Rate at which they are stated and on the Credit of the Government by whom they are emitted*, and a Bill of Credit for the same Sum that is stated equal to Silver at *Twenty-seven Shillings* an Ounce, must be of more than double the Value of one stated equal to Silver at *Sixty-four Shillings* an Ounce if the Credit of the Emitter may be depended on: But if the Emitter's

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Credit can't be depended on then neither of the Bills aforesaid are of any Value, because it is evident that no Bills of Credit have any Value in themselves, but are given to secure something of intrinsick Value, to the Possessor.

§18 So that the Arguments draw from Custom are of no Force, because the Reasons upon which that Custom were grounded do now cease.

§19 I grant that if any Thing whose Value is intrinsical and invariable the same should obtain a Currency as a Medium of Exchange for a great Number of Years in any Colony, it might with some Reason be urg'd that it ought to be accepted in Payments for Debts where there is no special Agreement for any other Species. *[It is a rule of Common Law that in the absence of a special agreement to receive bills, the right to value for value applies.] [Steven's commit: which is energy for energy!!!]*

§20 But if what is us'd as a Medium of Exchange is fluctuating in its Value it is no better than unjust Weights and Measures, both which are condemn'd by the Laws of GOD and Man, and therefore the longest and most universal Custom could never make the Use of such a Medium either lawful or reasonable.

§21 Now suppose that Gold or Silver Coins that pass current in Payments at a certain Rate by Tale ["By tale" means "by count." The root of the word "teller."] should have a considerable Part of their Weight filed or clipp'd off will any reasonable Man judge that they ought to pass for the same Value as those of full Weight?

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§22 But the State of R...l...d Bills of Credit is much worse than that of Coins that are clipp'd, because what is left of those Coins is of intrinsick Value: But the General Assembly of R...l...d having depreciated their Bills of Credit have thereby violated their Promise from Time to Time, and there is just Reason to suspect their Credit for the Future for the small Value which they now promise for said Bills, and they have not only violated their Promise as to the Value, pretended to be secured to the Posessor by said Bills; but also as to the Time of calling them in and paying the same, they have lengthened out the Time Fifteen Years.

§23 So that if the Posessor must be kept out of the Use of his Money until that Term is expired (and the Bills secure nothing to him sooner.)

One Ounce of Silver paid down now, would be worth more than Seven pounds Ten Shillings in such Bills of Credit computing the Interest at 6 per Cent per Annum.

§24 These Things considered, can any reasonable Man think that such Bills of Credit (or rather of no Credit) ought to be a legal Tender in Payment of Money in this Colony for Debts, for which the Debtor received Species of much more Value than those Bills provided the Creditor could get the full Value of them in Silver that they are now stated at.

§25 For it must be remembered that according to the State of the Case now in Question the Goods were charged according to the Value of Old-Tenor Bills of this Colony. Wherefore upon the whole it appears that it would be evidently unjust to impose Rhode-Island Bills of Credit in payment for such a Debt, or

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any other in this Colony, unless the Creditor obliged himself by a special Agreement to receive them in Payment.

§26 And if *he had agreed to receive them in Payment for Debts* contracted any Time between last March and June it would be unjust to oblige him to take them without three Shillings on the Pound Allowance, for the General Assembly of Rhode-Island depreciated them so much in June below both their current and stated Value in March preceding.

§27 And to oblige People to receive them without such Allowance in this Colony; *would be, to more dishonest* than they are in Rhode-Island Colony for they are obliged by Law to make Allowance for the Depreciation.

§28 But in as much as we are not under the Jurisdiction of Rhode-Island Government and therefore can take no Benefit by equitable Acts, I suppose that according to the Rules of the Law, upon a Contract made in this Colony for the Payment of Bills of Credit on the Colony of Rhode-Island or any of the neighbouring Governments,

§29 if the Debtor *could not produce* such Bills under the same Circumstances that they were at the Time of Contract, the Courts would assess Damages for Connecticut Money, *according to the Value of such Bills at the Time of Contract.*

§30 *And the Reason is*, because if on the one Hand all such Bills should be called in and burnt between the Time of Contract and the Time of Payment it would be unreasonable to oblige the Debtor to an impossibility, and on the

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other Hand if there should between the Time of Contract and the Time of Payment be an Act pass'd that all such Bills should be brought into the Treasurer to be redeem'd by a certain Time or else be Outlawed and rendered of no value and that Time should be expired before the Time of Payment, or if by an Act of Assembly they should be depreciated and sunk one half or two thirds of their Value, *it would be unreasonable that the Creditor should be thereby defrauded of his just Due and lose so much of his Estate.*

[This is why the tender provision, Article 1 Section 10, also denies the states power to impair the obligation of contracts.]

§31 But to impose Rhode-Island Bills of Credit in Payments for Debts in this Colony *when the Creditor never agreed to take them, and that without any Allowance for the Depreciation*, would be to take away Men's Estates and wrong them of their just and righteous Dues without either Law or Reason.

§32 And instead of having our *Properties defended and secured to us by the Protection of the Government* under which we live; we should be always *exposed to have them [our Properties] taken from us by Fraud at the Pleasure of other Governments*, who have *no Right of Jurisdiction* over us.

§33 And according to this Argument, if Rhode-Island General Assembly has been pleased last June to have stated their *Old-Tenor* Bills equal to Silver at *Forty-eight Pounds Twelve Shillings* an Ounce, instead of *Sixty-four Shillings*, and to have cut off the Value of them Eighteen Shillings on the Pound, instead of Three Shillings, *all Creditors in this Colony would thereby have been necessitated to lose Ninety Pounds out of every Hundred Pounds of their*

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1 Debts which were then out standing, for if they could take away one Sixth Part
2 of their Value and reduce them so much below the Old - Tenor Bills of this
3 Colony and the Creditor be notwithstanding obliged to receive them without
4 Allowance, by the Rule they might have taken away three Quarters 'of Nine
5 Tenths or indeed the whole, and the Creditor have had no more Remedy than he
6 has now.

7
8 *[An accurate description of today's monetary process. The federal*
9 *government (debtor) borrows from the people (creditor) to the extent*
10 *the people are willing to lend. What the people will not lend, the*
11 *federal government then borrows from the Federal Reserve system.*
12 *The government's debt increases the supply of circulating debt*
13 *money, causing a reduction of the purchasing power of the funds in*
14 *the public's hands.]*

15 §34 And the Estates of poor Widows and Orphans must according to this
16 Principle in the same unjust Manner be taken away from them and given to
17 others that have no Right to them,

18 *(for what the Creditor loses in this way the Debtor gains because the*
19 *more the Bills of Credit depreciate the less Value the Debtor can*
20 *produce them for)*

21 and according to the Debtor's Arguement the Executive Courts in this Colony
22 must give Judgement in Favour of all this Fraud and Iniquity at least, 'till there
23 is some special Act of Assembly to order them to the contrary;

24 *[Executive courts or courts of equity, have power to fashion a*
25 *remedy where some exists in the law. In the absence of laws*
26 *defining lawful tenders, the courts consistently found in favor of*
27 *bills of credit. Roger Sherman was to live to legislate the "Acts of*
28 *Assembly" that ordered them to the contrary. That Act was Article 1*
Section 10 Paragraph 1 of the United States Constitution.]

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1 but I believe that every honest Man of Common Sense, upon mature
2 Consideration of the Circumstances of the Case, will think that this is an
3 Iniquity not to be countenanced [*tolerated, supported, sanctioned, patronized*
4 *and approved*], but rather to be punished by the Judges.

5
6 §35 But in Answer to what is said concerning Demands being made for Old-
7 Tenor Money indifferently and the Courts giving Judgement accordingly. The
8 Creditor saith that Phrase in all Demands made in this Colony ought to be
9 understood to be the Old-Tenor Money of this Colony, and no other, for there
10 never was any Law in this Colony that Bills of Credit on the neighbouring
11 Governments *should be a legal Tender in Payments of Money*, and I have
12 observed before that it would be unreasonable, that any such Foreign Currency
13 should be imposed as Money, and *the same Phrase is us'd in taxing Bills of*
14 *Cost in the Executive Courts*, but it is understood to be the Old-Tenor Money
15 of this Colony only, for a Thousand Pounds in Bills of Credit on the
16 neighbouring Governments would not be sufficient in the Law to satisfy a Bill
17 of Cost of Twenty Shillings Old-Tenor.

18
19
20 §36 And the General Assembly of this Colony have sufficiently declared that
21 they don't Esteem such Bills of Credit as Money, and that no Person ought to
22 be obliged to receive them as such. In that, they themselves will not receive
23 them for their Wages, neither do they oblige any other Person whose Fees or
24 Wages are stated by Law to receive them, but have made Provision how they
25 shall be paid exclusive of such Bills.

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1 §37 And as to the Objection that they have been receiv'd in Payment to satisfy
2 all Judgements given as aforesaid, the Creditor faith, that it was only by the
3 same reasons that they should be received now at the same Value as Bills of
4 Credit on this Colony that there was formerly because it is evident that there is
5 *now a real Difference in their Values.*

7 §38 For by a Law of the Province of the Massachusetts-Bay, their Bills of Old-
8 Tenor are stated equal to Silver at *Fifty Shillings* an Ounce and *Seven Shillings*
9 *and Six Pence are equal to One Shilling Proclamation Money*, and the
10 Executive Courts in this Colony reckon Eight Shillings Old- Tenor Bills of this
11 Colony equal to One Shilling Proclamation Money which is equal to Silver at
12 Fifty-four Shillings Old- Tenor an Ounce.

14 §39 And by an Act of Rhode-Island General Assembly Sixty four Shillings of
15 their Old-Tenor Bills is stated equal to one Ounce of Silver, at which Rate *Nine*
16 *Shillings and Six pence is equal to but One Shilling Proclamation Money*,
17 whereas three Years ago *the Bills of Old-Tenor on all the three Governments*
18 *aforesaid were of equal Value.*

20 §40 And since it appears, that there is such a Difference in the stated Value of
21 the aforesaid Bills of Credit, no Man can with any Propriety be said to make
22 them all without Distinction, a Standard to value Things by; for a Man could
23 afford to sell any Goods or Merchandize for a less Sum in Old-Tenor Bills of
24 the Massachusetts-Bay, than for the Old- Tenor Bills of this Colony and he
25 could afford to sell Goods for a less Sum by 15 per Cent for the Old-Tenor Bills
26 of this Colony, than for the Old-Tenor Bills on Rhode-Island Colony.

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1 §41 And to say that an Accompt [account] is charged in Old- Tenor Money
2 indifferently of this and the neighbouring Governments, is to say that 7s.-6d.
3 and 8s. and 9s.-6.d are one and the same Sum, or that there is *no* Difference
4 between Fifty and Fifty-four, or between Fifty-four and Sixty-four Q.E.D.
5

6 §42 And since it appears that it would be evidently absurd to make a Demand
7 for old-Tenor Money indifferently of this and the neighbouring Governments, it
8 follows that all Demands made for Old-Tenor Money in this Colony must be
9 for the Money of this Colony exclusive of the Old-Tenor of the neighbouring
10 Governments, or else for the Old-Tenor Money of some one of the other
11 Governments exclusive of the Old-Tenor of this and the rest.
12

13 §43 And since nothing but a special Contract can intitle any Person to demand
14 the Money of any other Government, for a Debt contracted and demanded in
15 this Colony: It necessarily follows, that all Demands for Debts due by Book,
16 where the Contract lyes at large must be for the Money of this Colony only.
17

18 §44 What I would be understood to mean by Old-Tenor Money of the Colony
19 of Connecticut is, whatsoever is established by Law in said Colony to pass as,
20 or in Lieu of Money, rated according to its Value in Old-Tenor Bills on said
21 Colony, and I supposed that the Words (Old-Tenor) when us'd in Contracts are
22 universally understood to be intended only to ascertain the Value of the Sum to
23 which they are affixed and they must be so understood when the *Executive*
24 *Courts* tax Bills of Cost in Old-Tenor Money, for they have no Right neither do
25 they mean to exclude Bills the New-Tenor, or any of those Coins established by
26
27
28

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1 Law (to pass in Payment for Fees) from being a sufficient Tender in Payment of
2 such Costs.

3
4 §45 And now I have gone through with what I first proposed, But perhaps
5 some, may be ready to say, that we are sensible that it is of bad Consequence to
6 have a fluctuating Medium of Exchange, *but what can be done to Remedy it?*

7
8 §46 *I answer take away the Cause, and the Effect will necessarily cease.*

9
10 [Article 1 Section 10 Paragraph 1 took away the cause. Just as
11 Sherman predicted, the effect promptly ceased.]

12 §47 But it may be further objected, that if it were not for the Bills of Credit on
13 the neighbouring Governments, we should have no Money to Trade with, *and*
14 *what should we do for a Medium of Exchange? or how could we live without?*

15 [People who have never studied money ask the same question
16 today.]

17 §48 To this I answer, that if that were indeed the Case, we had better die in a
18 good Cause than live in a bad one. *But I apprehend that the Case in Fact is*
19 *quite the reverse*, for we in this Colony are seated on a very fruitful Soil, the
20 Product whereof, with our Labour and Industry and the Divine Blessing
21 thereon, would sufficiently furnish us with and procure us *all the Necessaries*
22 *of Life* and as *good a Medium of Exchange* as any People in the World have or
23 can desire.
24

25
26 §49 But so long as we part with our most valuable Commodities for such Bills
27 of Credit as are no Profit; but rather a Cheat, Vexation and Snare to us, and
28

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1 become a Medium whereby we are continually cheating and wronging one
2 *another in our Dealings and Commerce.*

3
4 §50 *And so long as we import so much more foreign Goods than are*
5 *necessary*, and keep so many Merchants and Trader employed to procure and
6 deal them out to us: Great Part of which, we might as well make among
7 ourselves; and another great Part of which, we had much better be without,
8 especially the Spiritous Liquors of which vast Quantities are consumed in this
9 Colony every Year, unnecessarily to the great Destruction of the Estates,
10 Morals, Health and even the Lives of many of the Inhabitants.

11
12 §51 I say so long as these Things are so we shall spend great Part of our Labour
13 and Substance for that which will not profit us.

14
15 §52 Whereas if these Things were reformed, the Provisions and other
16 Commodities which we might have to export yearly, and which other
17 Governments are dependant upon us for, would procure us Gold and Silver
18 abundantly sufficient for a Medium of Trade. *And we might be as independent,*
19 *flourishing and happy a Colony as any in the British Dominions.*

20
21 §53 And with Submission I would humbly beg Leave to propose it to the wise
22 Consideration of the Honourable General Assembly of this Colony; whether it
23 would not be conducive to *the welfare of the Colony* to pass some act to
24 prevent the Bills last emitted by Rhode-Island Colony from obtaining a
25 Currency among us.

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1 §54 And to appoint some reasonable Time (not exceeding the Term that our
2 Bills of Credit are allowed to pass) after the Expiration of which none of the
3 Bills of Credit on New Hampshire or Rhode-Island, shall be allowed to pass in
4 this Colony, that so People *having previous Notice* thereof may order their
5 Affairs so as to get rid of such Bills to the best Advantage that they can before
6 the Expiration of such Term.
7

8 §55 And whether it would *not* be very much for the Publick Good to lay a large
9 Excise upon all Rum imported into this Colony or distilled herein, thereby
10 effectually to restrain the excessive use thereof, which is such a growing Evil
11 among us and is leading to almost all other Vices.
12

13 §56 And I doubt *not* but that if those two great Evils that have been mentioned
14 were restrained we should soon see better Times.
15

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Appendix II:

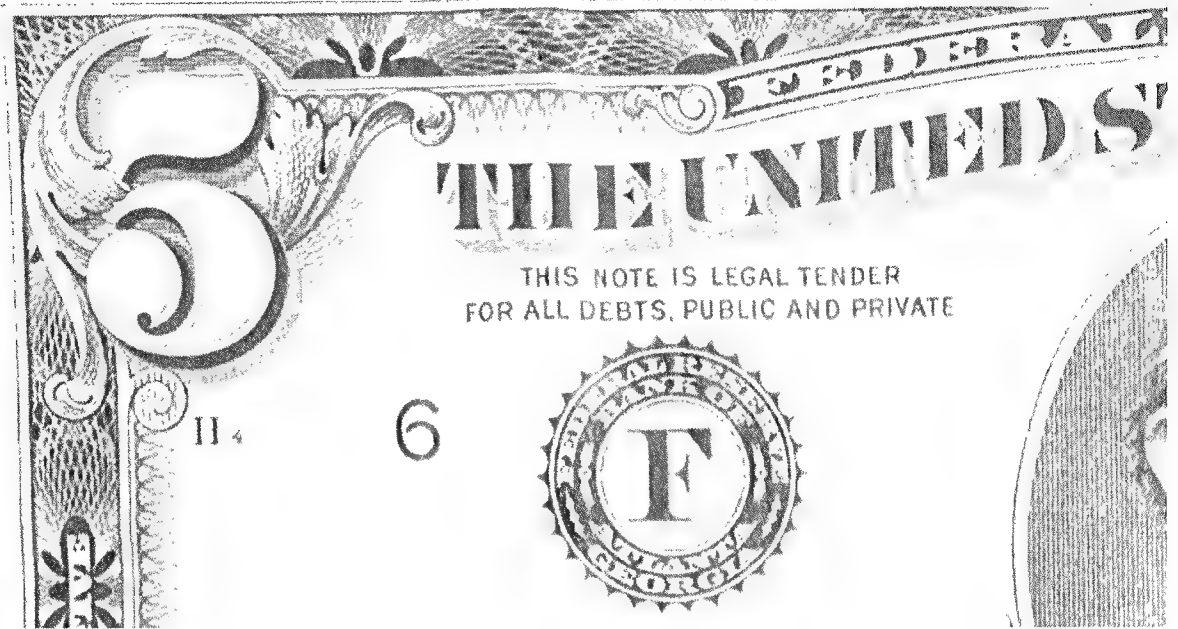
The Paper Dollar Caper

Before 1963, Federal Reserve notes, defined by law as "obligations of the United States" (USC Title 12 – Banks and Banking. §411), were "Redeemable In Lawful Money At The United States Treasury OR At Any Federal Reserve Bank." Lawful money, you'll remember, "shall be construed to mean gold or silver coin of the United States." (USC Title 12 – Banks and Banking §152).



After 1963, the "REDEEMABLE" promise disappeared from the Fed note. [See below].

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But many redeemable notes are still in circulation. Since Congress has neither passed a law rescinding the redeem-ability of these notes into lawful money, nor changed the definition of "lawful money," the author maintains that all "REDEEMABLE" Federal Reserve notes ARE STILL REDEEMABLE IN GOLD AND SILVER COIN, dollar for dollar. Further, any state bank giving only paper dollars for them ~ rather than lawful money ~ is violating Article I Section 10, U.S. Constitution, by making something other than gold and silver coin a tender in payment of debt!

In the 1960s, we learned complicated new technologies, overcame the complex barriers of outer space, acquired graduate degrees in unprecedented numbers. Our lofty minds, however, were unable to make sense out of the movements of a few simple words on and off our currency, movements that slipped private

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property from the pockets of us satellite-watchers gazing up into the ideasphere....

The silver certificate was a U.S. Treasury receipt for one dollar's worth of silver, or 412.5 grains of silver 90% fine. Since it did not specify silver "coin," many silver certificates were redeemed for little bags of silver powder!



The irredeemable Federal Reserve note was treated (and still is by many judges) as a "new kind" of silver certificate, when in fact it bears no relation (other than likeness) in the real world to the silver certificate whatsoever.

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1
2 To declare the Federal Reserve note to be a modification of the silver certificate
3 is to perpetrate a fraud. Yet, on November 26, 1963, the Federal Reserve sent
4 out the following press release announcing the changeover ²⁷

5
6 ²⁷ C. O'Donnell, The Standard Handbook of United States Paper
7 Money, Sixth Edition, Harry J. Forman, Inc., Philadelphia, page 28.

8 For immediate release. November 26, 1963. The Board of Governors
9 of the Federal Reserve System and the Treasury Department
10 announced today that more than 50 million new \$1 Federal Reserve
11 notes are going into circulation. ***Issuance*** of the new \$1 notes,
12 authorized by Congress last June, has already begun at all ***12 Federal***
13 ***Reserve Banks*** and their [*being Federal Reserve Bank*] 24 Branches
14 to commercial banks in every part of the country. This will make
15 more silver available for coinage purposes and help to meet the
16 increased demand for currency in connection with pre-Christmas
17 business.

18 To facilitate the widest possible distribution, the initial supply of the
19 new notes is being distributed through normal commercial banking
20 channels; none of the first 50 million notes will be available to the
21 public at any of the Federal Reserve Banks or Branches.

22 The new \$1 Federal Reserve notes clearly ***resemble the present \$1***
23 ***silver certificates***, which ultimately they will replace completely. The
24 back of the new notes and the portrait of George Washington on the
25 face will be exactly the same as the silver certificates. The main
26 difference will be the addition of a symbol, appearing to the left of the
27 portrait, identifying the ***issuing*** Federal Reserve Bank, and the
28 wording on the face of the bill. The notes bear the signatures of the
Secretary of the Treasury and the ***Treasurer of the United States***, as
do Federal Reserve notes of other denominations.

The new notes will read [above the portrait] "The United States of
America" and [below the portrait] "One Dollar." The legend stating

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that the bill "*Is Legal Tender For All Debts, Public and Private*" appearing on the silver certificates will also appear on the new Federal Reserve notes, but the new notes will not contain any reference to silver. Thus, they will not carry the language: "*This Certifies That There Is On Deposit In The Treasury Of The United States of America*" [above portrait] and "*One Dollar In Silver Payable To The Bearer On Demand*" [below the portrait].

Federal Reserve notes have been the basic circulating currency of the United States for many years, comprising over 85 percent (more than \$30 billion) of the face amount of all currency in circulation today. They are back 100 percent by collateral in the form of *gold certificates, U.S. Government securities*, or short-term paper discounted or purchased by the Federal Reserve Banks.

Aside from Changing Times, the only national magazine to mention the Federal Reserve's subtle issuance of irredeemable paper was U.S. News & World Report, *December 9, 1963*. The event was treated like the introduction of a "*new, improved*" product. The logic is completely Alice-in-Wonderland: *how does the withdrawal of silver certificates from circulation promote the coinage of silver dollars?* Here's the U.S.N.W.R. story in its entirety:

NOW, A NEW TYPE OF DOLLAR BILL

Fifty million \$1 bills of a new kind are being put into circulation. The new and old notes ~ as shown in photos above ~ are very similar. *The major difference between the two is that the new bill contains no reference to silver*. Congress authorized the Treasury to start withdrawing the \$1 silver certificates so the Government's stock of silver bullion could be used for coins or other purposes.

If Congress approves, silver dollars are to be coined next year for the first time in 30 years.

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Appendix III:

The POMC

Key key

PUBLIC OFFICE MONEY CERTIFICATE

DATE _____ 19____

THE UNDERSIGNED
WILL PAY TO _____ \$ _____

_____ DOLLARS OF THE
MONEY OF ACCOUNT OF THE UNITED STATES, AS REQUIRED BY LAW AT 31 U.S.C. §371,
PENDING OFFICIAL DETERMINATION OF THE SUBSTANCE OF SAID MONEY.

VOID IF NOT
PRESENTED TO PAYOR
FOR REDEMPTION
IN 120 DAYS

Signature

Name

Address

Public Office Money Certificate

Date _____ 19____

The Undersigned
Will Pay To _____ \$ _____

_____ Dollars of the
Money of Account of the United States, as Required By Law at 31 United
States Code §371 pending official determination of the substance of said
Money.

Void if Not.....
Presented to Payor
For Redemption
In 120 Days

Signature

Name

Address

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The Miracle On Main Street ignited brushfires of social action everywhere it was read. One winter morning in 1981, poring over the day's bundle of mail from Miracle-Workers describing their activities in the field, I was struck with a dramatic concept for presenting the money issue.

Nobody did business in constitutional money any more. All transactions involved debt instruments. ***If I paid you cash***, it was in notes of the United States government's indebtedness secured by the Federal Reserve banks. ***If I paid you by check***, I was passing on my bank's indebtedness to you. Everybody was receiving something for basically nothing more than imagined value. The ultimate payoff in either case was "dollars" of something no one could describe for certain.

Transactions must be based on certainty. If the pump says "gasoline," we're cheated if it fills our tank with Kool- Aid, even though labeled "gasoline." What assures that the pump will deliver gasoline of a fixed quality in a fixed amount at a fixed price is the law. **Laws assure certainty.** Standards of weight and measurement are enforced by the power of the state. How long would a state permit Safeway to sell packages labeled "**Corn Flakes**" containing nothing more than a piece of paper with several corn flakes Xeroxed on it? or produce weighed by scales that represent 10 ounces as one pound? Weights and measures must be certain and consistent - otherwise, society collapses.

Money is a weight and a measure that is certain in United States law. The Coinage Act of 1792, which has never been repealed, says that

"the money of account of the United States shall be expressed in dollars... and all accounts in the public offices and all proceedings in

Exhibit B
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the courts of the United States shall be kept and had in conformity to this regulation."

When I wrote MOMS, this provision of the coinage act had been preserved verbatim in *Title 31 of the U.S. Code, section §371*. The coinage act of 1792 went on to define a "dollar" as a unit of silver weighing 371 4/16 grains. That definition has never changed, although it will not be found in federal money and banking statutes.

In 1981, sixteen years after the enactment of the *Coinage Act of 1965*, American money had fallen into weight-and-measure confusion. The need to demonstrate this fact in an exciting way led me to create a debt instrument, payable to a public office or court of the United States, endorsed and guaranteed by the maker (or POMCman), that would promise to pay such office or court a certain amount of "dollars" pending an official determination of the substance of "*the money of account of the United States*." This "*Public Office Money Certificate*" (POMC) might be tendered to a merchant for an amount of sales tax, or to a court in discharge of any ordered financial obligation such as a fine or judgment.

The office or court would submit the POMC to the Attorney General for an official determination of what the "*money of account of the United States*" consisted of. If the AG determined that the money of account was Federal Reserve notes, the maker would redeem his POMC in Federal Reserve notes. If the AG said silver, the POMC would be paid in silver. Or in gold, or in credit, or in debt, or in copper ~ whatever the AG determined was the substance of the money of account of the United States.

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I printed up booklets of blank POMCs and distributed them widely. People grasped their purpose instantly.

Hundreds, perhaps thousands, of POMCs were tendered to state and federal offices and courts during the early 1980s, yet **no** official determination was ever made as to the substance in which the instruments might be redeemed. In many cases, government officials just sat on the POMCs ~ ***debt discharged***. At least for purposes of discharging indebtedness to government, the POMCman had created his own money ~ in exactly the same way, in exactly the same substance, as the Federal Reserve and Congress discharge their debts generally: the stroke of a pen.

The unwillingness of the state to admit its abandonment of the Constitutional monetary standard was converted by the POMC into purchasing power for a citizen whose politicians were ruining the economy. This seemed to me at the time (and still does today) sublimely, if not divinely, just.

But the POMC also revealed how bitter officials can become when their addictive dependence on monetary forms prohibited by the Constitution is threatened. Example: ***I purchased a big-ticket item in Tennessee during 1982 and tendered a POMC to the dealer in the amount of the \$92.00 sales tax. The dealer forwarded it to the Department of Revenue.*** Days later, tax collectors appeared on his premises demanding payment of the \$92.00. He explained the money would come from the maker of the POMC, me, as soon as the attorney general determined the substance of the money in which the department's accounts were kept and had.

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A few days later, two criminal investigators from the Department of Revenue came to my house waving the POMC and asked

"Did you tender this thing in lieu of paying the sales tax?"

"Absolutely not," I replied.

"I tendered it so that I could PAY the sales tax in a lawful form of money. As soon as the attorney general tells me what the substance of that money is, I'll trade you 92 dollars of it for the POMC."

Away they flew. I never heard from them again. No determination was ever made for me by the attorney general. *But the revenueurs seized \$92.00 from the merchant's bank account.* It amounted to the merchant's giving me a discount on the merchandise equal to the sales tax. He understood that the unfair party was the state, not I.

The first POMCs appeared in early 1981. *In September 1982, Section 371 was changed into Section 5101*, with verbiage that shifted the emphasis from monetary substance to monetary measurement. The new law said simply:

Section 5101. Decimal system

United States money is expressed in dollars, dimes or tenths, cents or hundreths, and mills or thousandths. A dime is a tenth of a dollar, a cent is a hundredth of a dollar, and a mill is a thousandth of a dollar.

Beneath 5101 the commentators supplied this note:

The word "money" is substituted for "money of account" to eliminate unnecessary words... The words "*and all accounts in the public*

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1 *offices and all proceedings in the courts shall be kept and had in*
2 *conformity to this regulation" are omitted as surplus.*

3 The legal requirement for all public accounts to be kept and had in a particular
4 substance of money is omittable as surplus?

5
6 Well, gutting the statute of all references to the substance of the money of
7 account made it more difficult for POMCmen to make their point ~ especially
8 those who were attempting complicated exercises too risky for my blood. Down
9 in Louisiana, on the theory that corporations were creations of the state and
10 therefore "public offices" within the meaning of monetary law, POMCmen
11 began purchasing expensive goods from corporations with POMCs. One bought
12 a motorcycle, another a speedboat, yet another a motor home. *The*
13 *corporations, stymied by the attorney general's unwillingness to render a*
14 *determination as to the substance of the money of account, complained to the*
15 *state and the POMCmen were charged under criminal statutes.* There was a
16 big trial in state court, at which high Treasury officials and federal attorneys
17 were spotted assisting the prosecution.
18

19
20 *The defendants pled not guilty, declaring that they could redeem the subject*
21 *POMCs with dollars of gold and/or dollars of silver, as well as dollars of*
22 *Federal Reserve currency ~ whatever the attorney general declared was the*
23 *money of account of the United States. To prove their ability to redeem, they*
24 *loaded a flatbed dolly with precious metals in the amounts stated in the POMCS*
25 *and were about to wheel their exhibit into the courtroom *when the judge**
26 *excused the jury and ruled this highly exculpatory evidence inadmissible.*
27
28

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1 The jury never heard the true defense and bought the prosecution's
2 characterization of the POMCmen as con-artists attempting to procure
3 merchandise by fraud. ***Some of the defendants were sent to prison.*** I heard that
4 one of them, truly dedicated to constitutional money, appeared before the parole
5 board to discuss the terms of early release. Told that he would have to pay the
6 halfway house \$75 a week in rent, he asked ***"Seventy-five dollars of what?"***
7 The hearing was terminated, and the POMCman served the full term. This
8 should give you an idea of the calibre of person who undertakes grass roots
9 monetary reform.
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Appendix IV:

Opinion Letter

From a County Attorney (Chase County, Nebraska)
to a resident of Colorado. Source:
The Main Street Journal, Vol III No 3, October 1983

Key key

October 3, 1983

Mr. John E. Walburn
1599 Aspen Street
Broomfield, Colorado 80020

Re: Article I, Section 10
U. S. Constitution

Dear Jack:

My opinion to your inquiry regarding the payment of your tax debt to Boulder County, a subdivision of the State of Colorado, is applicable to any state including Colorado.

Article I, Section 10 requires the State of Colorado to denominate your tax debt in gold or silver coin.

Unless and until the state authority denominates your tax debt in gold or silver coin, you are legally immune from such tax, since any assessment repugnant to Article I, Section 10 is absolutely void. (16 Am Jur 2nd. 82).

The stereotyped response by the state attorney general is to cite the federal legal tender law and peremptorily claim that it overrides the state's obligation under Art. 1, Sec. 10. That this "supremacy" argument is spurious is proved by the fact that the mandate of Article I, Section 10 comes from the U. S. Constitution itself and is the supreme law of the land. The feds can insure their fiat paper money decree for payment of debts between individuals and for payment of federal taxes and debts, but not between states and their citizens.

Yours very truly,


County Attorney

GGC:kw

cc: P. Tupper Saussy

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October 3, 1983

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Broomfield, Colorado 80020

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Yours very truly,

County Attorney.....
John E. Walburn.....

GGC: kw
cc: F. Tupper Saussy

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*Your economic rights secured by the Constitution:
Do you know them? Will you assert them?*

*"...the only lawful and workable solution there can ever be
to our worsening financial woes, public and private." ~ JAMES WOODS*

*"Most people laugh when you try to explain the money issue.
They accuse you of spinning conspiracy theories. But give them a
copy of MOMS, and Tupper opens their eyes. What's more, they can
never close them again." ~ FRANKLIN SANDERS, The Moneychanger*



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